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**COMPARISON OF COMMODITY AND CONSERVATION PROVISIONS
FOR THE 1985 AND 1990 FARM BILLS
Titles I - XI, XIV**

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Agricultural Stabilization and Conservation Service**

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NOTE: In this document, the term "1985 Farm Bill" refers to agricultural policy legislation, as amended, prior to enactment of the the 1990 Farm Bill. The term "1990 Farm Bill" refers to agricultural policy legislation as further amended by the Food, Agriculture, Conservation, and Trade Act of 1990, and the Omnibus Budget Reconciliation Act of 1990.



COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments | | | | | | | | | | | | | | | | |
|------------------------|--|-------------------|-------------|------------------|-------------|--------------------|-------------|---|--|---------------|--|---------------------|-----------------|------------------------------|--------------------|----------------|------------------------|----------|--|
| | TITLE I -- DAIRY | | | | | | | | | | | | | | | | | | |
| 1.1 Milk support price | <p>During the specified period, the price of milk containing 3.67% milkfat shall be supported as follows:</p> <table><tr><td>1/1/86 - 12/31/86</td><td>\$11.60/cwt</td></tr><tr><td>1/1/87 - 9/30/87</td><td>\$11.35/cwt</td></tr><tr><td>10/1/87 - 12/31/90</td><td>\$11.10/cwt</td></tr></table> <p>Effective January 1 of each calendar year, support price for milk shall be adjusted as follows:</p> <p>For calendar years 1988-1990, if the Jan. 1 estimate of CCC purchases is \leq 2.5 bil. lbs., the support price must be increased \$0.50. If the estimate is \geq 5.0 bil. lbs., the support price must be decreased by \$0.50 (but only if the Secretary certifies that the dairy termination program reduced production by at least 12 bil. lbs.).</p> <p>For calendar year 1990, if the Jan. 1 estimate of CCC support price purchases is $>$ 5.0 bil. lbs., the support price may be reduced by not more than \$0.50. The Secretary shall offer to purchase butter for not more than \$1.10/lbs., except that the Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in such manner as to minimize CCC costs.</p> | 1/1/86 - 12/31/86 | \$11.60/cwt | 1/1/87 - 9/30/87 | \$11.35/cwt | 10/1/87 - 12/31/90 | \$11.10/cwt | <p>During the period January 1, 1991, through December 31, 1995, the support price for milk containing 3.67% milkfat shall not be less than \$10.10/cwt.</p> <p>Effective January 1 of each calendar year 1991-1995, support price for milk shall be adjusted as follows:</p> <p>If the prior Nov 20 estimate of CCC purchases is:</p> <table><tr><td></td><td>Support price</td></tr><tr><td></td><td><u>adjusted by:</u></td></tr><tr><td>$>$ 5.0 bil lbs</td><td>$-\geq$\0.25\leq$\$0.50</td></tr><tr><td>\leq 3.5 bil lbs</td><td>$+\geq$\$0.25</td></tr><tr><td>$>$3.5 \leq 5.0 bil</td><td>\$0.00 *</td></tr></table> <p>* effective for calendar years 1992-1995.</p> <p>All adjustments are subject to the \$10.10/cwt. minimum.</p> <p>Both Agriculture Committees must be notified by November 20 of any change in support price taking effect January 1.</p> <p>The Secretary may allocate the price support rate between nonfat dry milk and butter in a manner that will minimize CCC expenditures or achieve other such objectives as the Secretary considers appropriate, but cannot adjust these purchase prices more than twice in a calendar year.</p> | | Support price | | <u>adjusted by:</u> | $>$ 5.0 bil lbs | $-\geq$ \$0.25 \leq \$0.50 | \leq 3.5 bil lbs | $+\geq$ \$0.25 | $>$ 3.5 \leq 5.0 bil | \$0.00 * | <p>The 1990 Farm Bill sets a minimum support price of \$10.10/cwt.</p> |
| 1/1/86 - 12/31/86 | \$11.60/cwt | | | | | | | | | | | | | | | | | | |
| 1/1/87 - 9/30/87 | \$11.35/cwt | | | | | | | | | | | | | | | | | | |
| 10/1/87 - 12/31/90 | \$11.10/cwt | | | | | | | | | | | | | | | | | | |
| | Support price | | | | | | | | | | | | | | | | | | |
| | <u>adjusted by:</u> | | | | | | | | | | | | | | | | | | |
| $>$ 5.0 bil lbs | $-\geq$ \$0.25 \leq \$0.50 | | | | | | | | | | | | | | | | | | |
| \leq 3.5 bil lbs | $+\geq$ \$0.25 | | | | | | | | | | | | | | | | | | |
| $>$ 3.5 \leq 5.0 bil | \$0.00 * | | | | | | | | | | | | | | | | | | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--|---|--|---|
| 1.2 Farm pay price reductions | <p>The Secretary shall reduce the price received by producers by \$0.40/cwt. for Apr. 1 - Dec. 31, 1986, and by \$0.25/cwt. for Jan. 1 - Sept. 30, 1987.</p> <p>The Secretary shall reduce the price received by producers for milk was reduced by \$0.12/cwt. during April-September 1986, by \$0.025/cwt. during calendar year 1988, and \$0.063/cwt. for January 1990.</p> | <p>The Secretary shall reduce the price support level for milk and products \$0.05/cwt. during calendar year 1991 (effective Jan. 1), and \$0.1125/cwt. during calendar years 1992-1995 (with the rate adjusted each May 1 to compensate for refunds). The Secretary shall refund the entire assessment during a calendar year on receipt of evidence that the producer did not increase marketings compared to the immediately preceding year.</p> | <p>The 1990 Budget Reconciliation Act provides for an assessment on dairy marketings for calendar years 1991-1995, with potential for refund to producers who do not increase marketings from year to year.</p> |
| 1.3 Gramm-Rudman-Hollings sequestration procedure | <p>In lieu of making any reduction in the purchase price of milk and products during any fiscal year in which a sequester is in effect, the Secretary shall provide for an assessment (measured in cents per cwt.) during the fiscal year as the sole means of achieving any reduction in budget outlays under the milk price-support program.</p> | <p>Same as 1985 Farm Bill.</p> | |
| 1.4 Calculation of milk equivalent, total solids basis | | <p>The milk equivalent of surplus dairy products purchased by CCC shall be measured on a total solids basis, equal to the weighted average of the milk equivalents, on a milkfat and a nonfat solids basis. The milk equivalent of nonfat solids shall not be weighted more than 70%, nor the milk equivalent of milkfat more than 40%.</p> <p>In estimating the level of CCC purchases, the Secretary shall deduct the amount by which imports of milk products during the most recent calendar year exceeds the annual average level of imports during Jan. 1, 1986-Dec. 31, 1990.</p> | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---|---|---|--|
| 1.5 Dairy termination program | The Secretary shall carry out a milk production termination program for the 18-month period beginning April 1, 1986. Under the program, a producer may submit bids for which the producer would terminate all interest in dairy production for a period of 5 years. Dairy cattle owned by producers who enter into contract to terminate production shall be sold for slaughter or exported under regulations issued by the Secretary. The Secretary may establish a milk diversion or termination program for 1988-1990. | No such provision. | The 1990 Farm Bill does not extend authority for a dairy termination program, and prohibits such a program from being considered as a means of surplus management. |
| 1.6 Report on supply management | No such provision. | Within 60 days after enactment, the Secretary shall request proposals concerning a milk marketing adjustment program, including (but not limited to) an alternative classification of milk under the Federal milk marketing order program, or a target price/deficiency payment type program, but not a dairy termination-type program nor a program which reduces the support price below \$10.10/cwt.. The Secretary shall evaluate the proposals according to listed criteria. By August 1, 1991, after opportunity for public comment, the Secretary shall submit to both Agriculture Committees a report with recommendations. | The 1990 Farm Bill requires a report on supply management for dairy. |
| 1.7 Report to Congress concerning estimated purchases | No such provision. | The Secretary shall notify both Agriculture Committees on August 1 and by November 20 of each calendar year 1991-1995 regarding the value and volume of dairy product purchases the Secretary estimates CCC will make during the upcoming calendar year. | The 1990 Farm Bill requires two reports on estimated CCC purchases for the coming year. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--|--------------------|--|--|
| 1.8 Pay price reductions to cover excess purchases | No such provision. | If the Secretary estimates on November 20 of any calendar years 1991-1994 that CCC purchases in the following calendar year of milk products will exceed 7 billion pounds, the Secretary shall reduce the price received by producers in such following year by an amount equal to the cost of CCC purchases in excess of 7 billion pounds divided by total quantity of milk produced and marketed in the United States for commercial purposes. Assessments shall be adjusted in future years as necessary. | The 1990 Farm Bill includes a provision to help reduce CCC costs during periods of relatively large surpluses. |
| 1.9 Milk manufacturing marketing adjustment | No such provision. | Effective 12 months after enactment, no State shall provide a greater allowance for the processing of milk (i.e., "make allowance") than is permitted under the Federal program to establish Grade A price for manufacturing butter, nonfat dry milk, or cheese. Penalty for having a higher make allowance shall be twice the make allowance that could be charged multiplied by the quantity of milk on which the person had collected the excess allowance. | The 1990 Farm Bill prohibits States from having a higher "make allowance" than under a Federal program. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--|--|---|--|
| 1.10 Minnesota-Wisconsin price series reform | No such provision. | Within 60 days of enactment, the Secretary shall commence to accept alternative pricing formula recommendations, as they relate to the Minnesota-Wisconsin price series used to determine the minimum prices paid under milk marketing orders. The prices paid by milk processors for Grade A milk and manufacturing grade milk shall be among the alternatives considered. The Secretary shall compile and make data available to the public. A hearing shall be held not later than October 1, 1991, to consider proposals. The Secretary shall report to Congress on the decision after time for public comment. | The 1990 Farm Bill requires hearings concerning alternatives to the Minnesota-Wisconsin price series. |
| 1.11 Hearings on Federal milk marketing orders | No such provision. | The Secretary shall conclude the national hearings announced March 29, 1990, and, to the maximum extent practicable, effect any resulting system-wide changes in the Federal orders setting minimum prices by January 1, 1992. | The 1990 Farm Bill continues hearings on changes in Federal orders. |
| 1.12 Report of dairy product purchases | No such provision. | The Secretary shall make available to the public quarterly evaluations of the acquisition and disposal of CCC purchases of dairy products. | The 1990 Farm Bill requires quarterly reports on CCC purchases of dairy products. |
| 1.13 Application of support price of milk | The Secretary may not take the market value of whey into consideration for purposes of supporting the price of milk. | Same as 1985 Farm Bill. | The 1985 and 1990 Farm Bill prohibits taking the value of whey into consideration when supporting the price of milk. |
| 1.14 Application of amendments | Similar provision in 1985 Farm Bill. | The amendments made by this title shall not affect the liability of any person under the dairy title of the Agricultural Act of 1949 as in effect prior to enactment. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--|---|--|--|
| 1.15 Extension of current provisions | Similar provisions extending programs until 1990. | The following provisions are extended until 1995: Adjustments for seasonal production; hearings on amendments; determination of milk prices. Transfer of dairy products to the military and veterans hospitals. Extension of the dairy indemnity program. Export sales of dairy products. Dairy export incentive program. | |
| 1.16 Component pricing of milk | No such provision. | The total value of milk purchased by a handler may be equitably apportioned among producers on the basis of the milk components contained in their marketings of milk. | The 1990 Farm Bill allows handlers to pay producers based on component pricing of milk products. |
| 1.17 Adjustments in payments by handlers | No such provision. | The grade, quality and location adjustments in prices paid by handlers need not be the same as adjustments in prices paid to producers. | |
| 1.18 Status of producer handlers | Similar provision in 1985 Farm Bill. | The legal status of producer handlers of milk shall be the same after amendments made by this title as it was before enactment. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---------------------------------------|--------------------|---|--|
| 1.19 Multiple component pricing study | No such provision. | Not later than 60 days after enactment, the Secretary shall initiate a study to assess the potential impact on achieving balance in the production, marketing, and domestic commercial use of milkfat through adoption of multiple component pricing programs under Federal and State milk pricing programs. Not later than 180 days after enactment, the Secretary shall report results and recommendations to both Agriculture Committees, and announce a national hearing to consider industry and consumer proposals regarding the adoption of multiple component pricing provisions in individual Federal milk marketing orders. | The 1990 Farm Bill requires a study of multiple component pricing of dairy products. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--|--|--|--|
| | TITLE II -- WOOL AND MOHAIR | | |
| 2.1 Support prices for wool and mohair | <p><u>Shorn wool</u>: Support price shall be 77.5 percent of the amount calculated by multiplying \$0.62 by the ratio of (1) the average parity index for the immediately preceding 3 calendar years to (2) the average parity index for 1958-1960.</p> <p><u>Pulled wool</u>: Support price shall be established in relationship to that for shorn wool which will maintain normal marketing practices for pulled wool.</p> <p><u>Mohair</u>: Support price shall be determined at a level necessary to maintain approximately the same percentage of parity, plus or minus 15 percent, for mohair as for shorn wool.</p> | Same as 1985 Farm Bill. | The 1990 Farm Bill continues parity-based support prices for wool and mohair. |
| 2.2 Announcement date | The Secretary shall, to the extent practicable, announce the price support levels for wool and mohair sufficiently in advance of each marketing year as will permit producers to plan their production. | Same as 1985 Farm Bill. | The marketing year for wool and mohair is January 1-December 31. |
| 2.3 Marketing assessments | No such provision. | Effective only for the 1991-1995 marketing years, the Secretary shall deduct 1% of the payment to producers. | The 1990 Budget Reconciliation Act requires a 1% assessment on wool and mohair payments. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|-------------------------|--|---|---|
| 2.4 Payment limitations | National Wool Act payments are exempt from a payment limitation, and do not count against any payment limit in effect for other price support commodities. | <p>The total amount of payments that a person shall be entitled to receive each marketing year under this Act for wool and mohair shall not exceed:</p> <p style="padding-left: 40px;">\$200,000 for 1991; \$175,000 for 1992; \$150,000 for 1993; and, \$125,000 for 1994 and each subsequent marketing year.</p> <p>The payment limit applies to wool (shorn wool and unshorn lambs) and mohair as <u>separate</u> commodities.</p> <p>Price support payments for wool and mohair do not count against the payment limit in effect for other price support commodities (wheat, feed grains, rice, upland cotton and ELS cotton).</p> <p>The Secretary shall define "person" consistent with existing regulations.</p> | The 1990 Farm Bill introduces payment limitations for wool and mohair payments. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| | TITLE III -- WHEAT | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3.1 Loan rate for wheat | <p>For 1986, minimum basic loan rate \$3.00/bu. For 1987-1990, minimum basic loan rate set at 75%-85% of 5-year moving average of price received by producers, dropping high and low, but the decline limited to following percent of preceding year:</p> <table><tr><td>1987</td><td>5%</td></tr><tr><td>1988</td><td>3%</td></tr><tr><td>1989</td><td>5% + 2% if necessary to maintain competitive position;</td></tr><tr><td>1990</td><td>5%.</td></tr></table> <p>If the average price received by producers in the preceding year was \leq 110% of loan rate, or if necessary to maintain competitive position, the Secretary shall reduce the 1986 loan rate by not less than 10% and not more than 20%, and may reduce the 1987-1990 loan rates by an amount necessary to maintain competitiveness, but not by more than 20%.</p> <p><u>NOTE:</u> Loan rates for wheat under the 1985 Farm Bill were:</p> <table><tr><td>1986</td><td>\$2.40/bu.</td></tr><tr><td>1987</td><td>2.28</td></tr><tr><td>1988</td><td>2.21</td></tr><tr><td>1989</td><td>2.06</td></tr><tr><td>1990</td><td>1.95</td></tr></table> | 1987 | 5% | 1988 | 3% | 1989 | 5% + 2% if necessary to maintain competitive position; | 1990 | 5%. | 1986 | \$2.40/bu. | 1987 | 2.28 | 1988 | 2.21 | 1989 | 2.06 | 1990 | 1.95 | <p>Minimum basic loan rate set at 85% of 5-year moving average of price received by producers, dropping high and low, but decline limited to no more than 5%. "Findley" <u>adjustment</u> authorized based on current year S/U as follows.</p> <table><tr><th>Wheat Stocks/Use</th><th>"Findley" Adjustment</th></tr><tr><td>$\geq 30\%$</td><td>-10%</td></tr><tr><td>$\geq 15 < 30\%$</td><td>- 5%</td></tr><tr><td>$< 15\%$</td><td>0%</td></tr></table> <p>The minimum loan rate for wheat set at \$2.44 per bushel, unless such rate would exceed 80% of 5-year moving average market price determination.</p> <p>The Secretary may further reduce loan rates up to an additional 10 percent to maintain a competitive market position.</p> <p>If the Secretary adjusts loan rates in accordance with stocks/use estimates, he must submit a report to Congress documenting why the adjustment was necessary. The adjustment takes effect 60 days after submission of the report, except for 1991, in which it becomes effective on the date of the report.</p> | Wheat Stocks/Use | "Findley" Adjustment | $\geq 30\%$ | -10% | $\geq 15 < 30\%$ | - 5% | $< 15\%$ | 0% | <p>The 1990 Farm Bill requires higher loan rates than under the 1985 Farm Bill, and ties the amount of the "Findley" adjustment to estimated stocks/use ratio for the current year.</p> <p>Assuming maximum discretionary reduction, the effective loan rate is calculated as follows:</p> <p>[1] Calculate 5-year moving average, dropping high/low; [2] Determine maximum of 85% of [1] or 95% of previous year's basic loan rate. The result becomes this year's basic loan rate; [3] Reduce the basic loan rate by the appropriate "Findley" adjustment based on stocks/use; [4] Calculate 80% of 5-year moving average, dropping high/low; [5] Determine the results of the "80% test": [a] If [4] $>$ 2.44, select maximum of 2.44 or [3]; [b] If [4] \leq 2.44, select [3]; [6] Calculate 90% of [5]. The result becomes this year's effective loan rate.</p> |
| 1987 | 5% | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1988 | 3% | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1989 | 5% + 2% if necessary to maintain competitive position; | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1990 | 5%. | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1986 | \$2.40/bu. | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1987 | 2.28 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1988 | 2.21 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1989 | 2.06 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1990 | 1.95 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Wheat Stocks/Use | "Findley" Adjustment | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| $\geq 30\%$ | -10% | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| $\geq 15 < 30\%$ | - 5% | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| $< 15\%$ | 0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--|--|---|---|
| 3.2 Marketing loan for wheat | The Secretary may permit a producer to repay a loan at a level that is the lesser of: (1) the loan rate; (2) the higher of 70 percent of the announced loan rate, or the loan rate prior to any adjustment; or, the prevailing world market price. | The Secretary may permit a producer to repay a loan at a level that is the lesser of: (1) the loan rate; (2) the higher of 70 percent of the announced loan rate, or the loan rate prior to any adjustment for stocks/use or competitive position; or, the prevailing world market price. If the world price is below the loan rate, the Secretary may permit alternative repayment rates whereby a producer may repay a loan at a level that the Secretary determines will minimize loan forfeitures, minimize cost of accumulating and storing wheat, and allow U.S. wheat to be marketed freely. | Marketing loan for wheat is discretionary in both the 1985 and 1990 Farm Bills. The 1990 Farm Bill adds alternative repayment rates. |
| 3.3 Loan deficiency payments for wheat | The Secretary may make payments available to producers who, although eligible to obtain a loan, agree to forgo obtaining a loan in return for payments. Payments are calculated as the loan payment rate (i.e., the amount by which the loan rate exceeds the loan repayment rate) multiplied by the quantity of wheat the producer is eligible to place under loan but for which the producer forgoes obtaining a loan, not to exceed an amount determined by multiplying the farm program acreage by the farm program payment yield. | The Secretary may make payments available to producers who, although eligible to obtain a loan, agree to forgo obtaining a loan in return for payments. Payments are calculated as the loan payment rate (i.e., the amount by which the loan rate exceeds the loan repayment rate) multiplied by the quantity of wheat the producer is eligible to place under loan but for which the producer forgoes obtaining a loan. | The 1990 Farm Bill continues discretionary loan deficiency payment for wheat and eliminates the limit on the quantity eligible for such payments, i.e., the quantity eligible to be placed under loan is determined by actual yields instead of program yields (as was the case in the 1985 Farm Bill). |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---------------------------------------|--|--|--|
| 3.4 Deficiency payment rate for wheat | <p>The payment rate shall be the amount by which the target price exceeds the higher of (1) the national weighted average market price received by producers during the first 5 months of the marketing year, or (2) the loan rate for the crop prior to any adjustment.</p> <p>If the national weighted average 5-month price exceeds \$2.55/bu. for 1986, \$2.65/bu. for 1987, or \$2.82 for 1988, at the option of the Secretary, the payment rate shall be the amount by which the target price exceeds these values or the loan rate.</p> <p>The Secretary may pay not more than 5 percent of the total amount of a payment in the form of wheat.</p> | <p>For the 1991-1993 crops: The payment rate shall be the amount by which the target price exceeds the higher of (1) the national weighted average market price received by producers during the first 5 months of the marketing year, or (2) the loan rate for the crop prior to any adjustment for stocks/use or for maintaining competitive position.</p> <p>For the 1994-1995 crops: The payment rate shall be the amount by which the target price exceeds the higher of (1) the lesser of (a) the national weighted average market price received by producers during the marketing year; or, (b) the national weighted average market price received by producers during the first 5-months of the marketing year plus 10 cents; or, (2) the loan rate for the crop prior to any adjustment for stocks/use or for maintaining competitive position.</p> | The method of calculating deficiency payments are similar in the 1985 and 1990 Farm Bills for the 1991-1993 crops. The 1990 Farm Bill uses the lesser of the 12-month price or 5-month price plus 10 cents in calculating deficiency payments for 1994 and 1995. |
| 3.5 Emergency compensation payments | If the Secretary adjusts loan rates to maintain competitive position, the Secretary shall provide emergency compensation by increasing the deficiency payments by an amount necessary to provide producers the same total return as if loan rates had not been adjusted. The December 1 estimate of the national weighted average market price received by producers during the marketing year shall be used to calculate the emergency compensation payment rate. At least 75 percent of the increase in payments shall be paid by December 15. | Same as 1985 Farm Bill. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|-------------------------------------|--|---|--|
| 3.6 Target price for wheat | <p>The target price for wheat shall not be less than \$4.38/bu. for 1986 and 1987, \$4.23 for 1988, \$4.10 for 1989, and \$4.00 for 1990.</p> <p>At the option of the Secretary, the target price may be determined on the basis of: (1) the ARP percentage; or, (2) a graduated scale of production, with such payments targeted to commercial family farms with gross sales in excess of \$20,000.</p> | The target price for wheat shall not be less than \$4.00/bu. for each of the 1991-1995 crops. | The 1990 Farm Bill freezes target prices at the 1990. |
| 3.7 Maximum payment acres for wheat | Payment acres for the crop shall be the lesser of (1) the number of acres planted to the crop for harvest within the permitted acreage; or, (2) the permitted acreage (100 percent of the crop acreage base less the quantity of reduced acreage). | Payment acres for the crop shall be the lesser of (1) the number of acres planted to the crop for harvest within the permitted acreage; or, (2) 85 percent of the crop acreage base less the quantity of reduced acreage. | The 1990 Budget Reconciliation Act reduces the potential payment acreage by 15 percent of the crop acreage base. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|----------------------------|---|---|---|
| 3.8 0/92 program for wheat | <p>If an acreage limitation program is in effect and producers devote more than 8 percent of their permitted acres to conserving uses, the portion of permitted acreage in excess of 8 percent devoted to conserving uses shall be considered planted to wheat for purposes of determining the individual farm program acreage, and producers shall be eligible for deficiency payments with respect to such acreage at a per-bushel payment rate not less than the projected deficiency payment rate announced prior to program sign-up. A producer's crop acreage base or program payment yield cannot be adversely affected by participation in the 0/92 program.</p> <p>The Secretary may limit acreage entered into 0/92 to minimize adverse effects on agribusiness and other agriculturally related economic interests within any county, State, or region. No acreage restrictions may be imposed on producers in a county who are eligible for disaster emergency loans.</p> | <p>Same as 1985 Farm Bill, except the 8% required conserving use is calculated off the maximum payment acreage rather than the permitted acreage.</p> | <p>The 1990 Farm Bill continues the 0/92 program and makes the 0/92 provision subject to the 15 percent reduction in payment acreage provision in the 1990 Budget Reconciliation Act.</p> |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---|---|---|---|
| 3.9 Alternative crops on wheat conserving use acreage | <p>The Secretary may permit all or any portion of acreage required to be devoted to conserving uses to be devoted to sweet sorghum, guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, rye, commodities for which no substantial domestic production or market exists but that could yield industrial raw materials being imported, or commodities grown for experimental purposes (including kenaf). The Secretary may permit production of these crops only if the production is not likely to increase the cost of the price support program and will not adversely affect farm income; and, the production is needed to provide an adequate supply of the commodity or is needed to encourage increased industrial use of the raw material.</p> | <p><u>Industrial and other crops:</u> The Secretary may permit all or any portion of acreage required to be devoted to conserving uses to be devoted to sweet sorghum, guar, sesame, castor beans, crambe, plantago ovato, triticale, rye, mung beans, commodities for which no substantial domestic production or market exists but that could yield industrial raw materials being imported, or commodities grown for experimental purposes (including kenaf and milkweed). The Secretary may permit production of these crops only if the production is not likely to increase the cost of the price support program and will not adversely affect farm income; and, the production is needed to provide an adequate supply of the commodity or is needed to encourage increased industrial use of the raw material.</p> <p><u>Oilseeds:</u> The Secretary shall permit all or any part of conserving use acreage qualifying for payment to be devoted to sunflowers, rapeseed, canola, safflower, flaxseed, mustard seed, and other minor oilseeds designated by the Secretary. The producer has the option of receiving deficiency payments and forgoing loan eligibility for all of that crop on the farm, or forgoing deficiency payments, but keeping loan eligibility.</p> | <p>The 1990 Farm Bill removes the Secretary's discretion in allowing minor oilseeds on conserving use acreage.</p> <p>Producers have a choice of receiving either deficiency payments under 0/92 or marketing loan benefits for the minor oilseeds planted on conserving use acres.</p> |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|----------------------------------|---|-------------------------|--|
| 3.10 Disaster payments for wheat | <p>The total quantity of wheat on which payments would otherwise be payable shall be reduced by the quantity on which any disaster payment is made to producers.</p> <p><u>Prevented planting:</u> If the Secretary determines that the producers on a farm are prevented from planting any portion of acreage intended for wheat or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to the producers in an amount equal to: (1) the number of affected acres (but not more than wheat acres planted for harvest in the immediately preceding year); multiplied by (2) 75 percent of the farm program payment yield; multiplied by (3) a payment rate equal to 33-1/3 percent of the target price.</p> <p><u>Reduced yields:</u> If the Secretary determines that because of drought, flood, etc., the total quantity of wheat that producers are able to harvest on a farm is less than the result of multiplying 60 percent of the farm program payment yield by the acreage planted for harvest for the crop, the Secretary shall make a reduced yield disaster payment to the producers at a rate equal to 50 percent of the target price for the crop for the deficiency in production below 60 percent for the crop.</p> | Same as 1985 Farm Bill. | The 1990 Farm Bill continues prevented-planting and reduced-yield disaster payments. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--|--|-------------------------|--|
| 3.11 Crop insurance and disaster payments for wheat | Producers shall not be eligible for prevented planting or reduced yield disaster payments if prevented planting or reduced yield crop insurance is available to producers. However, the Secretary may make disaster payments to producers if, as the result of drought, flood, etc., the producer suffers substantial losses due to prevented planting or reduced yields, the losses have created an economic emergency for the producers, and crop insurance indemnity payments and other forms of Federal assistance are insufficient to alleviate the economic emergency. | Same as 1985 Farm Bill. | |
| 3.12 Announcement of acreage limitation programs for wheat | If the Secretary elects to implement an acreage limitation program, the Secretary shall announce such program no later than <u>June 1</u> prior to the calendar year in which the crop will be harvested. The Secretary may make adjustments in the announced program no later than <u>July 31</u> prior to the year in which the crop will be harvested. Producers must participate in the announced acreage limitation or land diversion program to be eligible for program benefits. | Same as 1985 Farm Bill. | The 1990 Farm Bill continues the same announcement dates for annual acreage limitation programs. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---|--|----------------|----------|
| 3.13 Acreage reduction programs for wheat | <p>ARPs determined on basis of estimated carryover stocks:</p> <p style="padding-left: 40px;"><u>If carryover:</u> <u>ARP will be:</u></p> <p><u>1986:</u> > 1 bil. bu. $\geq 15 \leq 22.5\%$ </p> | | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---|--|--|--|
| 3.14 Acreage devoted to conservation uses | A number of acres on the farm, determined by dividing (1) the product obtained by multiplying the number of acres required to be withdrawn from the production of wheat times the number of acres planted to wheat; by (2) the number of acres authorized to be planted to wheat under the limitation established by the Secretary. The number of acres so determined is referred to as "reduced acres." | A number of acres on the farm, determined by multiplying the wheat crop acreage base by the percentage reduction required by the Secretary, shall be devoted to conservation uses. The number of acres so determined is referred to as "reduced acres." The remaining acreage is referred to as "permitted acreage." | The 1990 Farm Bill simplifies the calculation of reduced acres. |
| 3.15 Planting designated crops on reduced acreage | No such provision. | <p>The Secretary may permit producers to plant a designated crop on no more than one-half of the reduced acreage on the farm, with loss in deficiency payments on a number of acres determined by the Secretary that will assure no additional cost to CCC. If the producer participates in more than one program crop on the farm, payments will be reduced on a prorata basis.</p> <p>Designated crops are defined as: any oilseed; any industrial or experimental crops designated by the Secretary; any other crop, except program crops and fruit or vegetable crops (including potatoes and dry edible beans) not designated by the Secretary as an industrial or experimental crop, or a crop for which no substantial domestic production or market exists. The Secretary may prohibit the planting of any of the above crops.</p> | The 1990 Farm Bill, subject to Secretarial discretion, allows designated crops to be planted on reduced acres if producers forgo deficiency payments on a number of acres determined by the Secretary. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments | | | | | | | | | | | | |
|---|--------------------|---|----------|-------|-----|--|----------|-------|------|----|----|---------|----|----|---|
| 3.16 Targeted option payments for wheat | No such provision. | <p>If the Secretary implements an acreage limitation program, the Secretary may permit producers who do not receive 0/92 payments for wheat to adjust their ARP requirement in the following manner:</p> <p><u>Increased acreage limitation option:</u> If offered, producers have the option to increase their ARP above the announced ARP percentage by:</p> <table> <tr> <td></td> <td>Up to</td> <td>Max</td> </tr> <tr> <td></td> <td>% points</td> <td>ARP %</td> </tr> <tr> <td>1991</td> <td>10</td> <td>25</td> </tr> <tr> <td>1992-95</td> <td>15</td> <td>25</td> </tr> </table> <p>Secretary must <u>increase the target price</u> by not less than 0.5 nor more than 1.0 percent for each 1-percentage point increase in the ARP.</p> <p><u>Decreased acreage limitation option:</u> If offered, producers may, <u>decrease their ARP</u>, but not by more than one-half of the announced ARP. The Secretary must <u>decrease the target price</u>, by not less than 0.5% nor more than 1.0% for each 1-percentage point decrease in the ARP.</p> <p>The Secretary shall, to the extent practicable, ensure that the targeted option program is offered in a manner that does not have a significant effect on program participation, total production, or does not result in additional budget outlays.</p> | | Up to | Max | | % points | ARP % | 1991 | 10 | 25 | 1992-95 | 15 | 25 | The 1990 Farm Bill adds the targeted option program, subject to Secretarial discretion. |
| | Up to | Max | | | | | | | | | | | | | |
| | % points | ARP % | | | | | | | | | | | | | |
| 1991 | 10 | 25 | | | | | | | | | | | | | |
| 1992-95 | 15 | 25 | | | | | | | | | | | | | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---|---|---|--|
| 3.17 Annual or perennial cover on reduced acres | <p>Acreage required to be devoted to conservation uses must be protected from weeds and wind and water erosion.</p> | <p>Acreage required to be devoted to conservation uses must be protected from weeds and wind and water erosion.</p> <p>A participating producer is required to plant an annual or perennial cover on at least 50 percent of the acreage removed from production, not to exceed 5 percent of the crop acreage base. If the producer elects to establish a perennial cover, CCC shall make cost share assistance available for 25 percent of the approved cost of establishing the cover on not more than 50 percent of the acreage diverted from production, not to exceed 5 percent of the crop acreage base. The producer shall agree to maintain the perennial cover for a minimum of 3 years. This requirement shall not apply to designated arid areas (including summer fallow areas).</p> | <p>The 1990 Farm Bill requires annual or perennial cover on at least 50 percent of reduced acreage, not to exceed 5 percent on base.</p> |
| 3.18 Conserving crops on reduced acres | <p>The Secretary may permit all or any portion of reduced acreage on a farm to be devoted to sweet sorghum, guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, rye, or other commodities, if the Secretary determines that production of these crops is not likely to increase the cost of the price support program, will not adversely affect farm income, and the production is needed to provide an adequate supply of the commodities.</p> | <p>Same as 1985 Farm Bill, except deletes safflower, mustard seed, sunflower, and flaxseed; and, adds mung beans and milkweed.</p> | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|-------------------------|--|--|---|
| 3.19 Haying and grazing | Haying and grazing shall be permitted on reduced acreage, conserving use acreage, and on acreage diverted under an annual land diversion programs, except during any consecutive 5-month period between April 1 and October 31 that is established by the State committee. The Secretary may permit unlimited haying and grazing in the case of natural disasters. Haying and grazing shall not be permitted for any crop if the Secretary determines that haying and grazing would have an adverse economic effect. | Haying and grazing shall be permitted on reduced acreage, conserving use acreage, and on acreage diverted under an annual land diversion programs, except during any consecutive 5-month period between April 1 and October 31 that is established by the State committee. The Secretary may permit unlimited haying and grazing in the case of natural disasters. The Secretary may not exclude irrigated or irrigable acreage not planted in alfalfa when exercising this authority. | The 1990 Farm Bill removes the provision whereby the Secretary may prohibit haying and grazing if it would create an adverse economic hardship, and prohibits the Secretary from excluding irrigated or irrigable acreage not planted in alfalfa when exercising the authority to permit unlimited haying and grazing in the case of natural disasters. |
| 3.20 Water storage uses | No such provision. | Regulations issued by the Secretary shall provide that land converted to water storage areas shall be considered to be devoted to conservation uses if the land was planted to program crops or oilseeds in at least 3 out of the last 5 years. Such land is eligible for up to 5 years if it remains in water storage, is not devoted to commercial uses (including commercial fish production), is not ground water, and the farm was irrigated with ground water during at least 1 of the last 5 years. | |
| 3.21 Summer fallow | In determining the quantity of land to be devoted to conservation uses under an acreage limitation program with respect to land that has been farmed under summer fallow practices, the Secretary shall consider the effects of soil erosion and such other factors as the Secretary considers appropriate. | Same as 1985 Farm Bill. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|------------------------------|--|-------------------------|---|
| 3.22 Land diversion payments | The Secretary may make land diversion payments to producers of wheat, whether or not an acreage limitation program for wheat is in effect, if the Secretary determines that the land diversion payments are necessary to assist in adjusting the total national acreage of wheat to desirable goals. The amounts payable under land diversion contracts may be determined by bids from producers or through such other means as the Secretary determines appropriate. | Same as 1985 Farm Bill. | The 1990 Farm Bill continues discretionary authority for land diversion payments. |
| 3.23 Conservation practices | <p><u>Wildlife food plots or habitat:</u> Reduced acreage and additional diverted acreage may be devoted to wildlife food plots or habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may pay an appropriate share of the cost of such practices.</p> <p><u>Soil and water conservation practices:</u> The Secretary may pay an appropriate share of the cost of approved soil and water conservation practices (including practices that may be effective for a number of years) established by the producer on conserving use acres.</p> <p><u>Public accessibility:</u> The Secretary may provide for an incentive payment if producers allow, without other compensation, public access for hunting or other recreational uses of farmland.</p> | Same as 1985 Farm Bill. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--|--|--|--|
| 3.24 Modification or termination of participation agreements | The Secretary may, by mutual agreement with producers on a farm, modify or terminate any program participation agreement if the Secretary determines the action necessary because of an emergency created by drought or other disaster, or to prevent or alleviate a shortage in the supply of agricultural commodities. | Same as 1985 Farm Bill, except adds the restriction that the Secretary may modify agreements with producers for the purpose of alleviating a shortage in supply of the commodity only if there has been a significant change in the estimated stocks of the commodity since the final program announcement. | |
| 3.25 Special oats plantings | No such provision. | In any crop year that the Secretary determines that projected domestic production of oats will not fulfill the projected domestic demand for oats, the Secretary may allow oats to be planted for harvest on any wheat and feed grain reduced acreage. With respect to such acreage planted to oats, the Secretary may make program benefits (including loans, purchases, and payments) in accordance with the annual program for oats; but, shall not make other program benefits available to producers. | The 1990 Farm Bill adds special oats provision. |
| 3.26 Inventory reduction payments | The Secretary may make loan deficiency payments (in the form of wheat owned by the CCC) available to producers who agree to forgo obtaining a loan or receiving a deficiency payment, and who do not plant in excess of crop acreage base less one-half of the ARP requirement. | Same as 1985 Farm Bill. | The inventory reduction program remains discretionary in the 1990 Farm Bill. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--|--|--|--|
| 3.27 Pilot voluntary production limitation program | In carrying out the wheat program, the Secretary may prescribe production targets for participating farms expressed in bushels of production so that all participating farms achieve the same pro rata reduction in production as prescribed by the national production targets. | <p>Effective for the 1992 or 1993 (and, if the Secretary so determines, 1994 and 1995), if a wheat acreage limitation program or land diversion program is announced, the Secretary shall carry out a pilot program in at least 15 counties in at least 2 States where producers are interested in participating.</p> <p>To comply with the program, producers must agree not to market, barter, donate, or use on the farm (including use as feed for livestock) in a marketing year a quantity of wheat in excess of the production limitation quantity, defined as permitted acreage under the acreage reduction program multiplied by the higher of the farm program payment yield or 5-year average harvested yields, excluding the high and low years. Producers may market wheat in excess of their production limitation quantity in subsequent years. Producers must not plant program commodities in excess of the sum of crop acreage bases for the farm. Producers will be considered to have complied with the acreage limitation program even though the acreage planted to wheat exceeds their permitted acreage.</p> | The 1990 Farm Bill replaces similar discretionary authority for Secretary with a requirement to carry out a pilot voluntary production limitation program for either of the 1992 or 1993 crops of wheat. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--|--|---|---|
| 3.28 Equitable relief | <p><u>Loans, purchases, and payments:</u> If the failure of a producer to fully comply with the terms of the program precludes the making of loans, purchases, or payments, the Secretary may, make such loans, etc., in such amounts as the Secretary determines are equitable in relation to the seriousness of the failure.</p> <p><u>Deadlines and program requirements:</u> The Secretary may authorize county and State committees to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such requirements does not adversely affect the operation of the program.</p> | <p><u>Loans, purchases, and payments:</u> Same as 1985 Farm Bill, except the Secretary may also consider whether the producer made a good faith effort to comply with the terms of the program.</p> <p><u>Deadlines and program requirements:</u> Same as 1985 Farm Bill.</p> | The 1990 Farm Bill allows for some relief for producers who make a good faith effort to comply with program provisions. |
| 3.29 a) Cross-compliance b) Offsetting compliance | <p>The Secretary may require that, as a condition of eligibility of producers on a farm for loans, purchases, or payments, the acreage planted on the farm to any other commodity for which an acreage limitation program is in effect not exceed the crop acreage base for that commodity.</p> <p>The Secretary may not require producers on a farm, as a condition of program eligibility, to comply with the terms and conditions of the wheat program on any other farm operated by the producers.</p> | <p>Compliance on a farm with the terms and conditions of any other commodity program, or with the crop acreage base requirements for any other commodity, may not be required as a condition of eligibility for loans, purchases, or payments under the wheat program.</p> <p>Same as 1985 Farm Bill.</p> | The 1990 Farm Bill prohibits cross and offsetting compliance as a condition for program eligibility. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--------------------------------------|--------------------|---|---|
| 3.30 Public comment on wheat program | No such provision. | The Secretary shall request public comment on annual determinations concerning price support and acreage reduction programs for each of the 1992 and subsequent crops of wheat. Various program options must be proposed for public comment not less than 60 days prior to announcement. Each proposed option shall be accompanied by an analysis that includes estimated planted acreage, production, domestic and export use, ending stocks, season average producer price, program participation rate, and cost to the Federal Government for each option. In announcing the wheat program, the Secretary shall include an estimate for these same variables that is expected to result from the program as announced. | The 1990 Farm Bill adds a provision to require 60-day public comment period, and requires USDA to publish estimated impacts of program options. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--|---|--|---|
| 3.31 Special provision for wheat planted in 1990 | No such provision. | <p>A producer participating in the program for the 1991 crop of winter wheat may elect one of the following modifications:</p> <p>(1) The producer's deficiency payments may be calculated as the difference between the target price and the higher of: (a) the lesser of the national weighted average market price received by producers for the marketing year or for the first 5 months of the marketing year; or, (b) The loan rate prior to any adjustment for stocks/use or competitive position.</p> <p>(2) The producer's payment acreage shall be the lesser of (a) the number of acres planted to the crop for harvest within the permitted acreage; or, (b) 85 percent of the crop acreage base for the crop for the farm less the quantity of reduced acreage.</p> | The 1990 Farm Bill allows producers of the 1991 crop of winter wheat a choice of calculating deficiency payments based on a 12-month price, or "triple base." |
| 3.32 National program acreage | For any crop of wheat for which there are neither marketing quotas or an acreage limitation program in effect, the Secretary shall proclaim a national program acreage no later than June 1. The NPA shall be the number of harvested acres the Secretary determines will produce the quantity (less imports) that the Secretary estimates will be used domestically and for export during the marketing year. The NPA may be adjusted to accomplish desired carryover. | No such provision. | The 1990 Farm Bill removes the NPA provision. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--------------------------------|---|--------------------|---|
| 3.33 Program allocation factor | The Secretary shall determine a program allocation factor for each crop of wheat for which marketing quotas are not in effect. The allocation factor for wheat shall be determined by dividing the NPA by the number of acres that the Secretary estimates will be harvested. The allocation factor must not be more than 100% nor less than 80%. | No such provision. | The 1990 Farm Bill removes the NPA provision. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-------------------------------|--|----------------|----------|------|----|------|--|------|-----|--|-----|-----|-----|-----|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|---|-----------------|----------------------|-------------|------|--------------------|------|------------|----|---|
| | TITLE IV -- FEED GRAINS | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4.1 Loan rate for feed grains | <p>For 1986, minimum corn basic loan rate \$2.40/bu. For 1987-1990, minimum basic loan rate set at 75%-85% of 5-year moving average of price received by producers, dropping high and low, but the decline limited to following percent of preceding year:</p> <table><tr><td>1987</td><td>5%</td></tr><tr><td>1988</td><td>3%</td></tr><tr><td>1989</td><td>5% + 2% if necessary to maintain competitive position;</td></tr><tr><td>1990</td><td>5%.</td></tr></table> <p>If the average price received by producers in the preceding year was \leq 110% of loan rate, or if necessary to maintain competitive position, the Secretary shall reduce the 1986 loan rate by not less than 10%, and may reduce the 1987-1990 loan rates by an amount necessary to maintain competitiveness, but not by more than 20%.</p> <p>NOTE: Loan rates for feed grains under the 1985 Farm Bill were (\$/bu):</p> <table><tr><td></td><td>CRW</td><td>SRG</td><td>BRL</td><td>QTS</td></tr><tr><td>1986</td><td>1.92</td><td>1.82</td><td>1.56</td><td>0.99</td></tr><tr><td>1987</td><td>1.82</td><td>1.74</td><td>1.49</td><td>0.94</td></tr><tr><td>1988</td><td>1.77</td><td>1.68</td><td>1.44</td><td>0.90</td></tr><tr><td>1989</td><td>1.65</td><td>1.57</td><td>1.34</td><td>0.85</td></tr><tr><td>1990</td><td>1.57</td><td>1.49</td><td>1.28</td><td>0.81</td></tr></table> | 1987 | 5% | 1988 | 3% | 1989 | 5% + 2% if necessary to maintain competitive position; | 1990 | 5%. | | CRW | SRG | BRL | QTS | 1986 | 1.92 | 1.82 | 1.56 | 0.99 | 1987 | 1.82 | 1.74 | 1.49 | 0.94 | 1988 | 1.77 | 1.68 | 1.44 | 0.90 | 1989 | 1.65 | 1.57 | 1.34 | 0.85 | 1990 | 1.57 | 1.49 | 1.28 | 0.81 | <p>Minimum corn basic loan rate set at 85% of 5-year moving average of price received by producers, dropping high and low, but decline limited to no more than 5%. "Findley" adjustment authorized based on current year S/U as follows.</p> <table><tr><td>Corn Stocks/Use</td><td>"findley" Adjustment</td></tr><tr><td>$\geq 25\%$</td><td>-10%</td></tr><tr><td>$\geq 12.5 < 25\%$</td><td>- 5%</td></tr><tr><td>$< 12.5\%$</td><td>0%</td></tr></table> <p>Notwithstanding the above S/U adjustment, minimum loan rate for corn set at \$1.76 per bushel, unless such rate would exceed 80% of 5-year moving average market price determination.</p> <p>Notwithstanding the S/U adjustment authority, the Secretary may further reduce loan rates up to an additional 10 percent to maintain a competitive market position.</p> <p>If the Secretary adjusts loan rates in accordance with stocks/use estimates, he must submit a report to Congress documenting why the adjustment was necessary. The adjustment takes effect 60 days after submission of the report, except for 1991, in which it becomes effective on the date of the report.</p> | Corn Stocks/Use | "findley" Adjustment | $\geq 25\%$ | -10% | $\geq 12.5 < 25\%$ | - 5% | $< 12.5\%$ | 0% | <p>The 1990 Farm Bill requires higher loan rates than under the 1985 Farm Bill, and ties the amount of the "Findley" adjustment to estimated stocks/use ratio for the current year.</p> <p>The barley program has been discretionary under the 1985 Farm Bill, but is mandatory under the 1990 Farm Bill.</p> <p>Assuming maximum discretionary reduction, the effective loan rate is calculated as follows:</p> <ol style="list-style-type: none">[1] Calculate 5-year moving average, dropping high/low;[2] Determine maximum of 85% of [1] or 95% of previous year's basic loan rate. The result becomes this year's basic loan rate;[3] Reduce the basic loan rate by the appropriate "Findley" adjustment based on stocks/use;[4] Calculate 80% of 5-year moving average, dropping high/low;[5] Determine the results of the "80% test":<ol style="list-style-type: none">[a] If [4] $>$ 1.76, select maximum of 1.76 or [3];[b] If [4] \leq 1.76, select [3];[6] Calculate 90% of [5]. The result becomes this year's effective loan rate. |
| 1987 | 5% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1988 | 3% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1989 | 5% + 2% if necessary to maintain competitive position; | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1990 | 5%. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | CRW | SRG | BRL | QTS | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1986 | 1.92 | 1.82 | 1.56 | 0.99 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1987 | 1.82 | 1.74 | 1.49 | 0.94 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1988 | 1.77 | 1.68 | 1.44 | 0.90 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1989 | 1.65 | 1.57 | 1.34 | 0.85 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1990 | 1.57 | 1.49 | 1.28 | 0.81 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Corn Stocks/Use | "findley" Adjustment | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| $\geq 25\%$ | -10% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| $\geq 12.5 < 25\%$ | - 5% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| $< 12.5\%$ | 0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---------------------------------------|--|---|--|
| 4.2 Marketing loan for corn | The Secretary may permit a producer to repay a loan at a level that is the lesser of: (1) the loan rate; (2) the higher of 70 percent of the announced loan rate, or the loan rate prior to any adjustment for stocks/use or competitive position; or, the prevailing world market price. | The Secretary may permit a producer to repay a loan at a level that is the lesser of: (1) the loan rate; (2) the higher of 70 percent of the announced loan rate, or the loan rate prior to any adjustment for stocks/use or competitive position; or, the prevailing world market price. If the world price is below the loan rate, the Secretary may permit alternative repayment rates whereby a producer may repay a loan at a level that the Secretary determines will minimize loan forfeitures, minimize cost of accumulating and storing feed grains, and allow U.S. feed grains to be marketed freely. | Marketing loan for feed grains is discretionary in both the 1985 and 1990 Farm Bills. The 1990 Farm Bill adds alternative repayment rates. |
| 4.3 Loan rates for other feed grains | The Secretary shall make available to producers loans and purchases of grain sorghums, barley, oats, and rye, at such level as the Secretary determines is fair and reasonable in relation to corn, taking into consideration the feeding value of the commodity in relation to corn. | Same as 1985 Farm Bill. | |
| 4.4 Loan deficiency payments for corn | The Secretary may make payments available to producers who, although eligible to obtain a loan, agree to forgo obtaining a loan in return for payments. Payments are calculated as the loan payment rate (i.e., the amount by which the loan rate exceeds the loan repayment rate) multiplied by the quantity of feed grains the producer is eligible to place under loan but for which the producer forgoes obtaining a loan, not to exceed an amount determined by multiplying the farm program acreage by the farm program payment yield. | Same as 1985 Farm Bill, except eliminates the limit on the quantity eligible for such payments. | The 1990 Farm Bill maintains discretionary loan deficiency payments. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--|--|---|--|
| 4.5 Deficiency payment rate for corn, grain sorghums, oats, and barley | <p>The payment rate shall be the amount by which the target price exceeds the higher of (1) the national weighted average market price received by producers during the first 5 months of the marketing year, or (2) the loan rate for the crop prior to any adjustment for maintaining competitive position.</p> <p>If the national weighted average 5-month price of corn exceeds \$2.04/bu. for 1986, \$2.19/bu. for 1987, or \$2.24 for 1988, at the option of the Secretary, the payment rate shall be the amount by which the target price exceeds these values or the loan rate.</p> <p>The payment rate for grain sorghums, oats, and, if designated by the Secretary, barley, shall be fair and reasonable in relation to corn.</p> <p>The Secretary may pay not more than 5 percent of the total amount of a payment in the form of feed grains.</p> | <p><u>For the 1991-1993 crops:</u> The payment rate shall be the amount by which the target price exceeds the higher of (1) the national weighted average market price received by producers during the first 5 months of the marketing year, or (2) the loan rate for the crop prior to any adjustment for stocks/use or for maintaining competitive position.</p> <p><u>For the 1994-1995 crops:</u> The payment rate shall be the amount by which the target price exceeds the higher of (1) the lesser of (a) the national weighted average market price received by producers during the marketing year; or, (b) the national weighted average market price received by producers during the first 5-months of the marketing year plus 7 cents; or, (2) the loan rate for the crop prior to any adjustment for stocks/use or for maintaining competitive position.</p> <p>With regard to the payment rate for barley, the Secretary shall use the national weighted average market price received by producers of feed barley.</p> | <p>The method of calculating deficiency payments are similar in the 1985 and 1990 Farm Bills for the 1991-1993 crops. The 1990 Farm Bill uses the lesser of the 12-month price or 5-month price plus 7 cents in calculating deficiency payments for 1994 and 1995.</p> |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---|---|--|--|
| 4.6 Emergency compensation payments | If the Secretary adjusts loan rates to maintain competitive position, the Secretary shall provide emergency compensation by increasing the deficiency payments by an amount necessary to provide producers the same total return as if loan rates had not been adjusted. The national weighted average market price received by producers during the marketing year shall be used to calculate the emergency compensation payment rate. | If the Secretary adjusts loan rates for stocks/use or competitive position, the Secretary shall provide emergency compensation by increasing the deficiency payments by an amount necessary to provide producers the same total return as if loan rates had not been adjusted. The national weighted average market price received by producers during the marketing year shall be used to calculate the emergency compensation payment rate. | |
| 4.7 Target prices for feed grains | The target price for corn shall not be less than \$3.03 for each of the 1986 and 1987 crops, \$2.93 for 1988, \$2.84 for 1989, and \$2.75 for 1990. Target prices for other feed grains set at a level fair and reasonable in relative to corn. | The minimum target price for feed grains for each of the 1991-1995 crop years shall be: <div style="margin-left: 40px;"> Corn \$2.75/bu, Oats 1.45 Grain Sorghums 2.61 Barley A value fair and reasonable relative to corn, but not less than 85.8 percent of the corn target price. </div> | The 1990 Farm Bill freezes target prices at the 1990 level. |
| 4.8 Maximum payment acres for feed grains | Payment acres for the crop shall be the lesser of (1) the number of acres planted to the crop for harvest within the permitted acreage; or, (2) the permitted acreage (100 percent of the crop acreage base less the quantity of reduced acreage). | Payment acres for the crop shall be the lesser of (1) the number of acres planted to the crop for harvest within the permitted acreage; or, (2) 85 percent of the crop acreage base less the quantity of reduced acreage. | The 1990 Budget Reconciliation Act reduces the potential payment acreage by 15 percent of the crop acreage base. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|-------------------------------------|---|---|---|
| 4.9 0/92 program for feed grains | <p>If an acreage limitation program is in effect and producers devote more than 8 percent of their permitted acres to conserving uses, the portion of permitted acreage in excess of 8 percent devoted to conserving uses shall be considered planted to feed grains for purposes of determining the individual farm program acreage, and producers shall be eligible for deficiency payments with respect to such acreage at a per-bushel payment rate not less than the projected deficiency payment rate announced prior to program sign-up. A producer's crop acreage base or program payment yield cannot be adversely affected by participation in the 0/92 program.</p> <p>The Secretary may limit acreage entered into 0/92 to minimize adverse effects on agribusiness and other agriculturally related economic interests within any county, State, or region. No acreage restrictions may be imposed on producers in a county who are eligible for disaster emergency loans.</p> | <p>Same as 1985 Farm Bill, except the 8% required conserving use is calculated off the maximum payment acreage rather than the permitted acreage.</p> | <p>The 1990 Farm Bill continues the 0/92 program, but makes the 8 percent provision subject to the 15 percent reduction in payment acreage provision in the 1990 Budget Reconciliation Act.</p> |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---|---|---|---|
| 4.10 Alternative crops on feed grain conserving use acreage | <p>The Secretary may permit all or any portion of acreage required to be devoted to conserving uses to be devoted to sweet sorghum, guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, rye, commodities for which no substantial domestic production or market exists but that could yield industrial raw materials being imported, or commodities grown for experimental purposes (including kenaf). The Secretary may permit production of these crops only if the production is not likely to increase the cost of the price support program and will not adversely affect farm income; and, the production is needed to provide an adequate supply of the commodity or is needed to encourage increased industrial use of the raw material.</p> | <p><u>Industrial and other crops:</u> The Secretary may permit all or any portion of acreage required to be devoted to conserving uses to be devoted to sweet sorghum, guar, sesame, castor beans, crambe, plantago ovato, triticale, rye, mung beans, commodities for which no substantial domestic production or market exists but that could yield industrial raw materials being imported, or commodities grown for experimental purposes (including kenaf and milkweed). The Secretary may permit production of these crops only if the production is not likely to increase the cost of the price support program and will not adversely affect farm income; and, the production is needed to provide an adequate supply of the commodity or is needed to encourage increased industrial use of the raw material.</p> <p><u>Oilseeds:</u> The Secretary shall permit all or any part of conserving use acreage qualifying for payment to be devoted to sunflowers, rapeseed, canola, safflower, flaxseed, mustard seed, and other minor oilseeds designated by the Secretary. The producer has the option of receiving deficiency payments and forgoing loan eligibility for all of that crop on the farm, or forgoing deficiency payments, but keeping loan eligibility.</p> | <p>The 1990 Farm Bill removes the Secretary's discretion in allowing minor oilseeds on conserving use acreage.</p> <p>Producers have a choice of receiving either deficiency payments under 0/92 or marketing loan benefits for the minor oilseeds planted on conserving use acres.</p> |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--|--|-------------------------|--|
| 4.11 Disaster payments for feed grains | <p>The total quantity of feed grains on which payments would otherwise be payable shall be reduced by the quantity on which any disaster payment is made to producers.</p> <p><u>Prevented planting:</u> If the Secretary determines that the producers on a farm are prevented from planting any portion of acreage intended for feed grains or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to the producers in an amount equal to: (1) the number of affected acres (but not more than feed grain acres planted for harvest in the immediately preceding year); multiplied by (2) 75 percent of the farm program payment yield; multiplied by (3) a payment rate equal to $33\frac{1}{3}$ percent of the target price.</p> <p><u>Reduced yields:</u> If the Secretary determines that because of drought, flood, etc., the total quantity of feed grains that producers are able to harvest on a farm is less than the result of multiplying 60 percent of the farm program payment yield by the acreage planted for harvest for the crop, the Secretary shall make a reduced yield disaster payment to the producers at a rate equal to 50 percent of the target price for the crop for the deficiency in production below 60 percent for the crop.</p> | Same as 1985 Farm Bill. | The 1990 Farm Bill continues prevented-planting and reduced-yield disaster payments. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--|--|---|----------|
| 4.12 Crop insurance and disaster payments for feed grains | Producers shall not be eligible for prevented planting or reduced yield disaster payments if prevented planting or reduced yield crop insurance is available to producers. However, the Secretary may make disaster payments to producers if, as the result of drought, flood, etc., the producer suffers substantial losses due to prevented planting or reduced yields, the losses have created an economic emergency for the producers, and crop insurance indemnity payments and other forms of Federal assistance are insufficient to alleviate the economic emergency. | Same as 1985 Farm Bill. | |
| 4.13 Announcement of acreage limitation programs for feed grains | If the Secretary elects to implement an acreage limitation program, the Secretary shall announce such program no later than <u>September 30</u> prior to the calendar year in which the crop will be harvested. The Secretary may make adjustments in the announced program no later than <u>November 15</u> prior to the year in which the crop will be harvested. Producers must participate in the announced acreage limitation or land diversion program to be eligible for program benefits. | Same as 1985 Farm Bill, except in the case of the 1991 crop as soon as practicable after date of enactment. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---|--|----------------|----------|
| 4.14 Acreage reduction programs for feed grains | <p>ARPs determined on basis of estimated carryover stocks:</p> <p style="padding-left: 40px;"><u>If carryover:</u> <u>ARP will be:</u></p> <p><u>1986:</u> > 2 bil. bu. $\geq 12.5 \leq 17.5\%$ </p> | | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---|--|---|--|
| 4.15 Acreage devoted to conservation uses | A number of acres on the farm, determined by dividing (1) the product obtained by multiplying the number of acres required to be withdrawn from the production of feed grains times the number of acres planted to feed grains; by (2) the number of acres authorized to be planted to feed grains under the limitation established by the Secretary. The number of acres so determined is referred to as "reduced acres." | A number of acres on the farm, determined by multiplying the feed grains crop acreage base by the percentage reduction required by the Secretary, shall be devoted to conservation uses. The number of acres so determined is referred to as "reduced acres." The remaining acreage is referred to as "permitted acreage." | The 1990 Farm Bill simplifies the calculation of reduced acres to a percentage of base acres instead of a percentage of planted acres. |
| 4.16 Planting designated crops on reduced acreage | No such provision. | <p>The Secretary may permit producers to plant a designated crop on no more than one-half of the reduced acreage on the farm, with loss in deficiency payments on a number of acres determined by the Secretary that will assure no additional cost to CCC. If the producer participates in more than one program crop on the farm, payments will be reduced on a prorata basis.</p> <p>Designated crops are defined as: any oilseed; any industrial or experimental crops designated by the Secretary; any other crop, except program crops and fruit or vegetable crops (including potatoes and dry edible beans) not designated by the Secretary as an industrial or experimental crop, or a crop for which no substantial domestic production or market exists.</p> | The 1990 Farm Bill, subject to Secretarial discretion, allows designated crops to be planted on reduced acres if producers forgo deficiency payments on a number of acres determined by the Secretary. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|-----------------------------------|---|-------------------------|----------|
| 4.17 Exception for malting barley | The Secretary may provide that no producer of malting barley shall be required as a condition of eligibility for feed grain program benefits to comply with any acreage limitation if the producer has previously produced a malting variety of barley, plants only an acceptable malting barley variety, and meets other conditions prescribed by the Secretary. | Same as 1985 Farm Bill. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments | | | | | | | | | | | | |
|---|--------------------|---|----------|---------|-----|--|----------|-------|------|---|----|---------|----|----|--|
| 4.18 Targeted option payments for feed grains | No such provision. | <p>If the Secretary implements an acreage limitation program, the Secretary may permit producers who do not receive 0/92 payments for feed grains to adjust their ARP requirement in the following manner:</p> <p><u>Increased acreage limitation option:</u> If offered, producers have the option to increase their ARP above the announced ARP percentage by:</p> <table> <tr> <td></td> <td>Up to —</td> <td>Max</td> </tr> <tr> <td></td> <td>% points</td> <td>ARP %</td> </tr> <tr> <td>1991</td> <td>5</td> <td>20</td> </tr> <tr> <td>1992-95</td> <td>10</td> <td>20</td> </tr> </table> <p>Secretary must <u>increase the target price</u> by not less than 0.5 nor more than 1.0 percent for each 1-percentage point increase in the ARP.</p> <p><u>Decreased acreage limitation option:</u> If offered, producers may, <u>decrease their ARP</u>, but not by more than one-half of the announced ARP. The Secretary must <u>decrease the target price</u>, by 0.5 to 1.0 percent for each 1-percentage point decrease in the ARP.</p> <p>The Secretary shall, to the extent practicable, ensure that the targeted option program is offered in a manner that does not have a significant effect on program participation, total production, or does not result in additional budget outlays.</p> | | Up to — | Max | | % points | ARP % | 1991 | 5 | 20 | 1992-95 | 10 | 20 | |
| | Up to — | Max | | | | | | | | | | | | | |
| | % points | ARP % | | | | | | | | | | | | | |
| 1991 | 5 | 20 | | | | | | | | | | | | | |
| 1992-95 | 10 | 20 | | | | | | | | | | | | | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---|--|---|---|
| 4.19 Annual or perennial cover on reduced acres | Acreage required to be devoted to conservation uses must be protected from weeds and wind and water erosion. | <p>Acreage required to be devoted to conservation uses must be protected from weeds and wind and water erosion.</p> <p>A participating producer is required to plant an annual or perennial cover on at least 50 percent of the acreage removed from production, not to exceed 5 percent of the crop acreage base. If the producer elects to establish a perennial cover, CCC shall make cost share assistance available for 25 percent of the approved cost of establishing the cover on not more than 50 percent of the acreage diverted from production, not to exceed 5 percent of the crop acreage base. The producer shall agree to maintain the perennial cover for a minimum of 3 years. This requirement shall not apply to designated arid areas (including summer fallow areas).</p> | The 1990 Farm Bill requires annual or perennial cover on at least 50 percent of reduced acreage, not to exceed 5 percent of base. |
| 4.20 Conserving crops on reduced acres | The Secretary may permit all or any portion of reduced acreage on a farm to be devoted to sweet sorghum, guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, rye, or other commodities, if the Secretary determines that production of these crops is not likely to increase the cost of the price support program, will not adversely affect farm income, and the production is needed to provide an adequate supply of the commodities. | Same as 1985 Farm Bill, except deletes safflower, sunflower, mustard seed, and flaxseed; and, adds mung beans and milkweed. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|-------------------------|--|--|--|
| 4.21 Haying and grazing | Haying and grazing shall be permitted on reduced acreage, conserving use acreage, and on acreage diverted under an annual land diversion programs, except during any consecutive 5-month period between April 1 and October 31 that is established by the State committee. The Secretary may permit unlimited haying and grazing in the case of natural disasters. Haying and grazing shall not be permitted for any crop if the Secretary determines that haying and grazing would have an adverse economic effect. | Haying and grazing shall be permitted on reduced acreage, conserving use acreage, and on acreage diverted under an annual land diversion programs, except during any consecutive 5-month period between April 1 and October 31 that is established by the State committee. The Secretary may permit unlimited haying and grazing in the case of natural disasters. The Secretary may not exclude irrigated or irrigable acreage not planted in alfalfa when exercising this authority. | The 1990 Farm Bill removes the provision whereby the Secretary may prohibit haying and grazing if it would create an adverse economic hardship, and prohibits the Secretary from excluding irrigated or irrigable acreage not planted in alfalfa when exercising the authority to permit unlimited haying and grazing in the case of natural disaster. |
| 4.22 Water storage uses | No such provision. | Regulations issued by the Secretary shall provide that land converted to water storage areas shall be considered to be devoted to conservation uses if the land was planted to program crops or oilseeds in at least 3 out of the last 5 years. Such land is eligible for up to 5 years if it remains in water storage, is not devoted to commercial uses (including commercial fish production), is not ground water, and the farm was irrigated with ground water during at least 1 of the last 5 years. | |
| 4.23 Summer fallow | In determining the quantity of land to be devoted to conservation uses under an acreage limitation program with respect to land that has been farmed under summer fallow practices, the Secretary shall consider the effects of soil erosion and such other factors as the Secretary considers appropriate. | Same as 1985 Farm Bill. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|------------------------------|---|-------------------------|---|
| 4.24 Land diversion payments | <p>The Secretary may make land diversion payments to producers of feed grains, whether or not an acreage limitation program for feed grains is in effect, if the Secretary determines that the land diversion payments are necessary to assist in adjusting the total national acreage of feed grains to desirable goals. The amounts payable under land diversion contracts may be determined by bids from producers or through such other means as the Secretary determines appropriate.</p> <p>In the case of the 1988 and 1989 crops of corn, grain sorghums, and barley, the Secretary shall make land diversion payments to producers of those crops of \$1.75/bu. for corn (payment rate for other feed grains fair and reasonable in relation to corn) under a required 10% land diversion. The Secretary may waive the requirement for 1989 if necessary to maintain adequate supplies of feed grains.</p> | Same as 1985 Farm Bill. | The 1990 Farm Bill continues discretionary authority for land diversion payments. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--|--|---|----------|
| 4.25 Conservation practices | <p><u>Wildlife food plots or habitat:</u> Reduced acreage and additional diverted acreage may be devoted to wildlife food plots or habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may pay an appropriate share of the cost of such practices.</p> <p><u>Soil and water conservation practices:</u> The Secretary may pay an appropriate share of the cost of approved soil and water conservation practices (including practices that may be effective for a number of years) established by the producer on conserving use acres.</p> <p><u>Public accessibility:</u> The Secretary may provide for an incentive payment if producers allow, without other compensation, public access for hunting or other recreational uses of farmland.</p> | Same as 1985 Farm Bill. | |
| 4.26 Modification or termination of participation agreements | The Secretary may, by mutual agreement with producers on a farm, modify or terminate any program participation agreement if the Secretary determines the action necessary because of an emergency created by drought or other disaster, or to prevent or alleviate a shortage in the supply of agricultural commodities. | Same as 1985 Farm Bill, except adds the restriction that the Secretary may modify agreements with producers for the purpose of alleviating a shortage in supply of the commodity only if there has been a significant change in the estimated stocks of the commodity since the final program announcement. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|-----------------------------------|---|---|--|
| 4.27 Special oats plantings | No such provision. | In any crop year that the Secretary determines that projected domestic production of oats will not fulfill the projected domestic demand for oats, the Secretary may allow oats to be planted for harvest on any feed grain or wheat reduced acreage. With respect to such acreage planted to oats, the Secretary may make program benefits (including loans, purchases, and payments) in accordance with the annual program for oats; but, shall not make other program benefits available to producers. | |
| 4.28 Inventory reduction payments | The Secretary may make loan deficiency payments (in the form of feed grains owned by the CCC) available to producers who agree to forgo obtaining a loan or receiving a deficiency payment, and who do not plant in excess of crop acreage base less one-half of the ARP requirement. | Same as 1985 Farm Bill. | The inventory reduction program remains discretionary in the 1990 Farm Bill. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--|--------------------|---|--|
| 4.29 Pilot voluntary production limitation program | No such provision. | <p>Effective for the 1992 or 1993 (and, if the Secretary so determines, 1994 and 1995), if a feed grain acreage limitation program or land diversion program is announced, the Secretary shall carry out a pilot program in at least 15 counties in at least 2 States where producers are interested in participating.</p> <p>To comply with the program, producers must agree not to market, barter, donate, or use on the farm (including use as feed for livestock) in a marketing year a quantity of feed grains in excess of the production limitation quantity, defined as permitted acreage under the acreage reduction program multiplied by the higher of the farm program payment yield or 5-year average harvested yields, excluding the high and low years. Producers may market feed grains in excess of their production limitation quantity in subsequent years. Producers must not plant program commodities in excess of the sum of crop acreage bases for the farm. Producers will be considered to have complied with the acreage limitation program even though the acreage planted to feed grains exceeds their permitted acreage.</p> | The 1990 Farm Bill adds provision for a pilot voluntary production limitation program. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--------------------------|--|---|---|
| 4.30 Equitable relief | <p><u>Loans, purchases, and payments:</u> If the failure of a producer to fully comply with the terms of the program precludes the making of loans, purchases, or payments, the Secretary may, make such loans, etc., in such amounts as the Secretary determines are equitable in relation to the seriousness of the failure.</p> <p><u>Deadlines and program requirements:</u> The Secretary may authorize county and State committees to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such requirements does not adversely affect the operation of the program.</p> | <p><u>Loans, purchases, and payments:</u> Same as 1985 Farm Bill, except the Secretary may also consider whether the producer made a good faith effort to comply with the terms of the program.</p> <p><u>Deadlines and program requirements:</u> Same as 1985 Farm Bill.</p> | The 1990 farm Bill allows for some relief for producers who make a good faith effort to comply with program provisions. |
| 4.31 a) Cross-compliance | The Secretary may require that, as a condition of eligibility of producers on a farm for loans, purchases, or payments, the acreage planted on the farm to any other commodity for which an acreage limitation program is in effect not exceed the crop acreage base for that commodity. | Compliance on a farm with the terms and conditions of any other commodity program, or with the crop acreage base requirements for any other commodity, may not be required as a condition of eligibility for loans, purchases, or payments under the feed grain program. | The 1990 Farm Bill prohibits cross and offsetting compliance as a condition for program eligibility. |
| b) Offsetting compliance | The Secretary may not require producers on a farm, as a condition of program eligibility, to comply with the terms and conditions of the feed grain program on any other farm operated by the producers. | Same as 1985 Farm Bill. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---|--------------------|--|---|
| 4.32 Public comment on feed grain program | No such provision. | The Secretary shall request public comment on annual determinations concerning price support and acreage reduction programs for each of the 1992 and subsequent crops of feed grains. Various program options must be proposed for public comment not less than 60 days prior to announcement. Each proposed option shall be accompanied by an analysis that includes estimated planted acreage, production, domestic and export use, ending stocks, season average producer price, program participation rate, and cost to the Federal Government for each option. In announcing the feed grain program, the Secretary shall include an estimate for these same variables that is expected to result from the program as announced. | The 1990 Farm Bill adds a provision to require 60-day public comment period, and requires USDA to publish estimated impacts of program options. |
| 4.33 Malting barley | No such provision. | The Secretary shall provide for an assessment for each of the 1991-1995 crop years to be levied on producers of malting barley that are participating in the production adjustment program. The assessment shall not exceed 5 percent of the value of malting barley produced on the farm. | The 1990 Farm Bill requires an assessment on producers of malting barley who participate in production adjustment programs. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--|---|--|---|
| 4.34 Price support for high moisture feed grains | No such provision. | Effective for each of the 1991-1995 crops of feed grains, the Secretary shall make available <u>recourse loans</u> to producers who: normally harvest all or a portion of their feed grains in a high moisture state; present certified evidence of the quantity of feed grains so harvested; certify that they were owners of the feed grain; comply with deadlines; and participate in an acreage limitation program. Loans will be made on a quantity of the crop determined by multiplying (1) the acreage of the feed grain in a high moisture state harvested; by (2) the lower of the farm program payment yield or the actual yield on a similar field from which the high moisture feed grain was obtained. | The 1990 Farm Bill offers <u>recourse</u> loans to producers who harvest high moisture feed grains. |
| 4.35 Price support for corn silage | The Secretary may make loans and purchases available to producers who cut corn for silage and purchase or exchange corn that has been produced in such crop year by another producer; and who participate in the announced acreage limitation program. Such loans may be made on the quantity equal to the acreage of corn for silage multiplied by the lower of the farm program payment yield or the actual yield on the farm that is similar to the field of silage. | Same as 1985 Farm Bill. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--|--------------------|--|--|
| 4.36 Calculation of refunds of advance barley payments | No such provision. | <p><u>Mandatory calculation of refund:</u> Not later than 90 days after enactment, the Secretary shall calculate, for informational purposes only, the amount of the refund of any advance deficiency payment a producer of barley who participated in the 1988 or 1989 barley program would be required to make based on a formula which excludes malting barley from the market price calculation used to determine the amount of refund. The aggregate results of the recalculation shall be published in the Federal Register, including total reduction amount and number of producers affected, along with a decision by the Secretary whether to use the recalculation in determining refunds. On demand, individual producers shall be notified of the implications of the recalculation for their 1988 or 1989 refund.</p> <p><u>Discretionary use of the calculation:</u> The Secretary may use the calculation to determine whether to reduce the total amount of refund owed by a producer for the 1988 or 1989 crops of barley. If the Secretary decides to use the calculation, the Secretary must reimburse, either by lump sum or installment, any producer who has already paid the refund prior to enactment of the Act. The amount of the reimbursement shall not bear interest if paid prior to February 15, 1991 (7% interest is paid after this date).</p> | The 1990 Farm Bill requires the Secretary to recalculate advance barley deficiency payment refunds for the 1988 and 1989 crops using a market price which excludes malting barley. The Secretary has the discretion whether to use the recalculation when determining refunds. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--------------------------------|---|--------------------|--|
| 4.37 National program acreage | For any crop of feed grains for which there are neither marketing quotas or an acreage limitation program in effect, the Secretary shall proclaim a national program acreage no later than September 30. The NPA shall be the number of harvested acres the Secretary determines will produce the quantity (less imports) that the Secretary estimates will be used domestically and for export during the marketing year. The NPA may be adjusted to accomplish desired carryover. | No such provision. | The 1990 Farm Bill removes the NPA provisions. |
| 4.38 Program allocation factor | The Secretary shall determine a program allocation factor for each crop of feed grains for which marketing quotas are not in effect. The allocation factor for feed grains shall be determined by dividing the NPA by the number of acres that the Secretary estimates will be harvested. The allocation factor must not be more than 100% nor less than 80%. | No such provision. | The 1990 Farm Bill removes the NPA provisions. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments | | | | | | | | | | | | | | | | | | |
|---------------------------------|--|----------------|----------|------|----|------|--|------|-----|---|---|------|----------|------|--------|------|--------|------|--------|------|--------|
| | TITLE V -- COTTON | | | | | | | | | | | | | | | | | | | | |
| 5.1 Loan rate for upland cotton | <p><u>1986:</u> \$0.55/lb.</p> <p><u>1987-1990:</u> The loan rate for upland cotton shall be the lesser of 85% of a 5-year moving average of U.S. spot market prices, dropping the high and the low; or, 90% of the average of 15-week period of the 5 lowest growths quoted for Northern Europe, adjusted downward by the average difference during the period April 15-October 15.</p> <p>The loan rate may not be reduced below \$0.50/lb. nor more than the following percent reduction from the previous year:</p> <table><tr><td>1987</td><td>5%</td></tr><tr><td>1988</td><td>3%</td></tr><tr><td>1989</td><td>5% + 2% if necessary to maintain competitive market position</td></tr><tr><td>1990</td><td>5%.</td></tr></table> <p>If the average Northern European price is less than the average U.S. spot market price, the Secretary may increase the loan rate, but not in excess of the U.S. spot market price.</p> <p>The loan rate shall be announced no later than November 1, and cannot be changed thereafter.</p> | 1987 | 5% | 1988 | 3% | 1989 | 5% + 2% if necessary to maintain competitive market position | 1990 | 5%. | <p>The loan rate for upland cotton shall be the lesser of 85% of a 5-year moving average of U.S. spot market prices, dropping the high and the low; or, 90% of the average of 15-week period of the 5 lowest growths quoted for Northern Europe, adjusted downward by the average difference during the period April 15 through October 15.</p> <p>The loan rate may not be reduced more than 5% in any year and may not be below \$0.50/lb. If the average Northern European price is less than the average U.S. spot market price, the Secretary may increase the loan rate, but not in excess of the U.S. spot market price.</p> <p>The loan rate shall be announced no later than November 1, and cannot be changed thereafter.</p> | <p>Except for the difference in the maximum year-to-year reduction in the loan rate, the 1990 Farm Bill continues the same loan rate formula as the 1985 Farm Bill. Further, the base loan rate under the 1985 Farm Bill was for Strict Low Middling 1-1/16 inch, micronaire 3.5 through 4.9, cotton at average U.S. location. The base loan rate under the 1990 Farm Bill is "as determined by the Secretary." This change will permit inclusion of other quality factors, such as strength, in the base quality.</p> <p><u>Note:</u> Loan rates for upland cotton under the 1985 Farm Bill were (\$/lb):</p> <table><tr><td>1986</td><td>\$0.5500</td></tr><tr><td>1987</td><td>0.5225</td></tr><tr><td>1988</td><td>0.5180</td></tr><tr><td>1989</td><td>0.5000</td></tr><tr><td>1990</td><td>0.5027</td></tr></table> | 1986 | \$0.5500 | 1987 | 0.5225 | 1988 | 0.5180 | 1989 | 0.5000 | 1990 | 0.5027 |
| 1987 | 5% | | | | | | | | | | | | | | | | | | | | |
| 1988 | 3% | | | | | | | | | | | | | | | | | | | | |
| 1989 | 5% + 2% if necessary to maintain competitive market position | | | | | | | | | | | | | | | | | | | | |
| 1990 | 5%. | | | | | | | | | | | | | | | | | | | | |
| 1986 | \$0.5500 | | | | | | | | | | | | | | | | | | | | |
| 1987 | 0.5225 | | | | | | | | | | | | | | | | | | | | |
| 1988 | 0.5180 | | | | | | | | | | | | | | | | | | | | |
| 1989 | 0.5000 | | | | | | | | | | | | | | | | | | | | |
| 1990 | 0.5027 | | | | | | | | | | | | | | | | | | | | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|----------------------------------|--|--|--|
| 5.2 Length of price support loan | Loans are for a period of 10 months. A producer may request an 8-month extension; however, the request will not be approved in any month in which the average spot market price for base quality cotton exceeds 130% of the average price of such cotton for the preceding 36 months. | Same as 1985 Farm Bill. | |
| 5.3 Marketing loan provisions | <p>If the Secretary determines that the world market price of upland cotton is below the loan rate, the Secretary shall permit producers to repay their loan under either Plan A or Plan B.</p> <p><u>Plan A:</u> Repay loan at level announced at same time loan rate announced, but not less than 80% of the loan level.</p> <p><u>Plan B:</u> Repay loan at the lesser of (1) the loan rate, or, (2) the prevailing world market price. If the world price for each of the 1987-1990 crops of cotton is less than 80% of the loan rate, the Secretary may permit producers to repay their loan at a level (not in excess of 80% of loan level) that will minimize loan forfeitures and minimize the CCC cost of acquiring and storing cotton.</p> | If the Secretary determines that the world market price of upland cotton is below the loan rate, the Secretary shall permit producers to repay their loan at (1) the lesser of (a) the loan rate, or, (b) the higher of 70% of the loan rate or the prevailing world market price; or, (2) such other level (between 70% and 100% of the loan rate) that will minimize loan forfeitures and minimize the CCC cost of acquiring and storing cotton. | The 1990 Farm Bill eliminates Plan A, revises Plan B, and establishes a minimum loan repayment rate of 70% of the loan rate. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---|--|--|---|
| 5.4 First handler marketing certificates | If the marketing loan provisions fail to make U.S. cotton fully competitive, the Secretary may issue marketing certificates to first handlers of cotton at a rate equal to the difference between the loan repayment level and the prevailing world market price for cotton. The certificates may be redeemed for cash, marketed, or exchanged for CCC-owned upland cotton or, if the Secretary and the person agree, other CCC-owned commodities. | Same as 1985 Farm Bill, except the certificates may be exchanged for any CCC-owned commodities. | The 1990 Farm Bill removes the authority to issue cotton specific certificates. Any first handler certificates issued will be generic. |
| 5.5 Adjustment in the prevailing world market price | The Secretary shall prescribe by regulation a formula to define the prevailing world market price for cotton; and, a mechanism by which the Secretary shall periodically announce such price. The Secretary shall publish the proposed regulations in the Federal Register within 90 days of enactment, and invite public comments. | Adjustments in the world market price includes a 3-step procedure to assure that U.S. cotton is competitive in world markets: <u>Step 1:</u> Codifies the Oct. 1989 USDA discretionary adjustment rule. <u>Step 2:</u> Requires that marketing certificates be issued to domestic users and exporters when the Friday through Thursday (F-Th) average of the lowest price U.S. growth as quoted in Northern Europe exceeds the F-Th average of the 5 cheapest Northern Europe prices by more than 1.25 cents/lb. for four consecutive weeks. <u>Step 3:</u> Provides for a special import quota if the F-Th average of the lowest price U.S. growth (adjusted for any certificate value in step 2) as quoted in Northern Europe exceeds the F-Th average of the 5 cheapest Northern Europe prices by more than 1.25 cents/lb. for 10 consecutive weeks. | The 1990 Farm Bill establishes a procedure to adjust the prevailing world market price. The October 1989 USDA discretionary adjustment rule provides for an adjustment in the prevailing world market price whenever: (1) the adjusted prevailing world market price is less than 115% of the loan rate; and, (2) the Friday-Thursday average of the lowest priced U.S. growth as quoted in Northern Europe exceeds the Friday-Thursday average of the 5 lowest Northern Europe prices. The amount of the adjustment cannot exceed the difference between the Friday-Thursday average of the lowest priced U.S. growth as quoted in Northern Europe and the Friday-Thursday average of the 5 cheapest Northern Europe prices. |
| 5.6 Recourse loans for seed cotton | No such provision. | The Secretary shall make recourse loans available for seed cotton. | Recourse loans for seed cotton prior to 1991 crop were made on authority of CCC Charter Act. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--|---|--|---|
| 5.7 Loan deficiency payments | The Secretary may make payments available to producers who, although eligible to obtain a loan, agree to forgo obtaining a loan in return for payments. Payments are calculated as the loan payment rate (i.e., the amount by which the loan rate exceeds the loan repayment rate) multiplied by the quantity of upland cotton the producer is eligible to place under loan but for which the producer forgoes obtaining a loan not to exceed an amount determined by multiplying the farm program acreage by the farm program payment yield. | The Secretary shall make payments available to producers who, although eligible to obtain a loan, agree to forgo obtaining a loan in return for payments. Payments are calculated as the loan payment rate (i.e., the amount by which the loan rate exceeds the loan repayment rate) multiplied by the quantity of upland cotton the producer is eligible to place under loan but for which the producer forgoes obtaining a loan. | The 1990 Farm Bill makes loan deficiency payments for cotton mandatory and eliminates the limit on the quantity eligible for such payments. |
| 5.8 Deficiency payment rate | The deficiency payment rate for upland cotton shall be the amount by which the target price exceeds the higher of (1) the national average price received by producers during the calendar year that includes the first 5 months of the marketing year; or, (2) the loan rate. | Same as 1985 Farm Bill. | |
| 5.9 Target price for cotton | The target price for upland cotton shall not be less than the following: <div style="margin-left: 40px;"> 1986 \$0.81/lb 1987 \$0.794/lb 1988 \$0.759/lb 1989 \$0.734/lb 1990 \$0.729/lb </div> | The minimum target price for upland cotton shall not be less than \$0.729/lb. for each of the 1991-1995 crops. | The 1990 Farm Bill freezes the target price at the 1990 level for the 1991-1995 crops. |
| 5.10 Maximum payment acres for upland cotton | Payment acres for a crop shall be the lesser of (1) the number of acres planted for harvest; or, (2) the permitted acreage (100 percent of the crop acreage base for the farm less the quantity of reduced acreage). | Payment acres for a crop shall be the lesser of (1) the number of acres planted for harvest; or, (2) 85 percent of the crop acreage base for the farm less the quantity of reduced acreage. | The 1990 Budget Reconciliation Act reduces the maximum potential payment acreage by 15%. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--------------------------------------|---|---|---|
| 5.11 50/92 program for upland cotton | <p>If an acreage limitation program is in effect and producers devote more than 8 percent of their permitted acres to conserving uses, the portion of the permitted acreage in excess of 8 percent devoted to conserving uses shall be considered planted to upland cotton for purposes of determining the individual farm program acreage, and producers shall be eligible for deficiency payments with respect to such acreage.</p> <p>Producers must plant at least 50 percent of their permitted acreage to upland cotton to qualify for payments, except where State or local agencies prohibit planting cotton due to a quarantine; or, for 1987 only, if 50% or more of permitted acreage is subject to flooding as a result of damage to a levee from flooding in 1986 and the farm is located in a county eligible to receive disaster emergency loans.</p> <p>A producer's crop acreage base or program payment yield cannot be adversely affected by participation in the 50/92 program.</p> | <p>Same as 1985 Farm Bill, except: (1) deficiency payment rate may not be less than the projected rate at the time of program sign-up; (2) producers are not subject to the 50% planting provision in areas where the producer was prevented from planting cotton due to drought, flood, or other natural disaster; and, (3) the 8% required conserving use and the 50% minimum planting requirement is calculated off the maximum payment acreage rather than the permitted acreage.</p> | <p>The 1990 Farm Bill guarantees the projected deficiency payment rate to upland cotton, allows cotton prevented from being planted by adverse weather to forgo the 50% planting requirement, and makes the 50/92 provision subject to the 15 percent reduction in payment acreage provision.</p> |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--|--|---|---|
| 5.12 Alternative crops on conserving use acres | The Secretary may permit all or any portion of acreage required to be devoted to conserving uses to be devoted to sweet sorghum, guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, rye, commodities for which no substantial domestic production or market exists but that could yield industrial raw materials being imported, or commodities grown for experimental purposes (including kenaf). The Secretary may permit production of these crops only if the production is not likely to increase the cost of the price support program and will not adversely affect farm income; and, the production is needed to provide an adequate supply of the commodity or is needed to encourage increased industrial use of the raw material. | Same as 1985 Farm Bill, except removes safflower, sunflower, mustard seed, and flaxseed; and, adds mung beans and milkweed on the list of eligible alternative crops. | The 1990 Farm Bill does not allow minor oilseeds to be planted on upland cotton conserving use acres. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|------------------------|--|-------------------------|--|
| 5.13 Disaster programs | <p>The total quantity of upland cotton on which deficiency payments would otherwise be payable shall be reduced by the quantity on which any disaster payment is made to producers.</p> <p><u>Prevented planting:</u> If the Secretary determines that the producers on a farm are prevented from planting any portion of acreage intended for upland cotton or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to the producers in an amount equal to: (1) the number of affected acres (but not more than upland cotton acres planted for harvest in the immediately preceding year); multiplied by (2) 75 percent of the farm program payment yield; multiplied by (3) a payment rate equal to 33-1/3 percent of the target price.</p> <p><u>Reduced yields:</u> If the Secretary determines that because of drought, flood, etc., the total quantity of upland cotton that producers are able to harvest on a farm is less than the result of multiplying 75 percent of the farm program payment yield by the acreage planted for harvest for the crop, the Secretary shall make a reduced yield disaster payment to the producers at a rate equal to 33-1/3 percent of the target price for the crop for the deficiency in production below 75 percent for the crop.</p> | Same as 1985 Farm Bill. | The 1990 Farm Bill continues prevented-planting and reduced-yield disaster payments. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--|--|---|---|
| 5.14 Crop insurance and disaster payments | Producers shall not be eligible for prevented planting or reduced yield disaster payments if prevented planting or reduced yield crop insurance is available to producers. However, the Secretary may make disaster payments to producers if, as the result of drought, flood, etc., the producer suffers substantial losses due to prevented planting or reduced yields, the losses have created an economic emergency for the producers, and crop insurance indemnity payments and other forms of Federal assistance are insufficient to alleviate the economic emergency. | Same as 1985 Farm Bill. | |
| 5.15 Announcement of acreage limitation programs | If implemented, the Secretary shall announce an acreage limitation program by November 1. | <p>If implemented, the Secretary shall make a preliminary announcement of the uniform percentage reduction in upland cotton crop acreage base not later than <u>November 1</u>, with a final announcement not later than <u>January 1</u>.</p> <p><u>Optional programs in early planting areas:</u> The Secretary shall allow producers in early planting areas to elect to participate in the programs on the terms of the acreage limitation program (1) first announced for the crop; or, (2) as subsequently revised, if the Secretary determines that the producers may be unfairly disadvantaged by the revision.</p> | <p>The 1990 Farm Bill establishes a preliminary and final announcement date for acreage limitation programs, and allows producers in early-planting areas a choice in program options if changed between preliminary and final announcement.</p> <p>The Report of the Conference Committee lists 24 counties in South Texas that are to be subject to the early planting exception. They include: Aransas, Atascosa, Bee, Bexar, Brooks, Cameron, Dimmit, Duval, Goliad, Hidalgo, Jim Wells, Karnes, Kenedy, Kleberg, LaSalle, Live Oak, Nueces, Refugio, San Patricio, Starr, Webb, Willacy, Wilson, and Zapata.</p> |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---|---|---|---|
| 5.16 Acreage reduction programs for upland cotton | <p>The Secretary shall, to the maximum extent practicable, carry out an acreage limitation program which will result in a carryover of 4 million bales of upland cotton.</p> <p>If an upland cotton acreage limitation program is announced, such limitation shall be achieved by applying a uniform percentage reduction (not to exceed 25%) to the crop acreage base for each upland cotton-producing farm.</p> | <p>The Secretary shall carry out an acreage limitation program that will result in a stocks/use ratio of 30%, based on the most recent estimate at the time of the announcement.</p> <p>Except for the Targeted Option Program, if an upland cotton acreage limitation program is announced, such limitation shall be achieved by applying a uniform percentage reduction (from 0 to 25%) to the crop acreage base for each upland cotton-producing farm.</p> | <p>The 1990 Farm Bill changes the acreage limitation program criteria from 4 million bale carryover to 30% stocks/use ratio. Maintains maximum ARPs at 25%, but also allows for a 0% ARP.</p> |
| 5.17 Acreage devoted to conservation uses | <p>A number of acres on the farm, determined by dividing (1) the product obtained by multiplying the number of acres required to be withdrawn from the production of upland cotton times the number of acres planted to upland cotton; by (2) the number of acres authorized to be planted to upland cotton under the limitation established by the Secretary. The number of acres so determined is referred to as "reduced acres."</p> | <p>A number of acres on the farm, determined by multiplying the upland cotton crop acreage base by the percentage reduction required by the Secretary, shall be devoted to conservation uses. The number of acres so determined is referred to as "reduced acres."</p> | <p>The 1990 Farm Bill simplifies calculation of reduced acres.</p> |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---|--------------------|--|--|
| 5.18 Planting designated crops on reduced acreage | No such provision. | <p>The Secretary may permit producers to plant a designated crop on no more than one-half of the reduced acreage on the farm, with loss in deficiency payments on a number of acres determined by the Secretary that will assure no additional cost to CCC. If the producer participates in more than one program crop on the farm, payments will be reduced on a prorata basis.</p> <p>Designated crops are defined as: any oilseed; any industrial or experimental crops designated by the Secretary; any other crop, except program crops and fruit or vegetable crops (including potatoes and dry edible beans) not designated by the Secretary as an industrial or experimental crop, or a crop for which no substantial domestic production or market exists. The Secretary may prohibit the planting of any of the above crops.</p> | The 1990 Farm Bill allows, subject to Secretary's discretion, up to one-half of reduced acreage to be planted to designated crops. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|-------------------------------|--------------------|--|--|
| 5.19 Targeted option payments | No such provision. | <p>If the Secretary implements an acreage limitation program, the Secretary may permit producers who do not receive 50/92 payments for upland cotton to adjust the ARP requirement in the following manner:</p> <p><u>Increased acreage limitation option:</u> If offered, producers have the option to increase their ARP above the announced ARP percentage by up to 10 percentage points, but no more than 25% of the crop acreage base. Secretary must <u>increase the target price</u> by not less than 0.5 nor more than 1.0 percent for each 1-percentage point increase in the ARP.</p> <p><u>Decreased acreage limitation option:</u> If offered, producers may, <u>decrease their ARP</u>, but not by more than one-half of the announced ARP. The Secretary must <u>decrease the target price</u>, by not less than 0.5% nor more than 1.0% for each 1-percentage point decrease in the ARP.</p> <p>The Secretary shall, to the extent practicable, ensure that the targeted option program is offered in a manner that does not have a significant effect on program participation, total production, or does not result in additional budget outlays.</p> | The 1990 Farm Bill introduces target option payments, subject to Secretary's discretion. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---|--|---|---|
| 5.20 Annual or perennial cover on reduced acreage | Acreage required to be devoted to conservation uses must be protected from weeds and wind and water erosion. | <p>Acreage required to be devoted to conservation uses must be protected from weeds and wind and water erosion.</p> <p>A participating producer is required to plant an annual or perennial cover on at least 50 percent of the acreage removed from production, not to exceed 5 percent of the crop acreage base. If the producer elects to establish a perennial cover, CCC shall make cost share assistance available for 25 percent of the approved cost of establishing the cover on not more than 50 percent of the acreage diverted from production, not to exceed 5 percent of the crop acreage base. The producer shall agree to maintain the perennial cover for a minimum of 3 years. This requirement shall not apply to designated arid areas (including summer fallow areas).</p> | The 1990 Farm Bill requires 50% (not to exceed 5% of the crop acreage base) of reduced acreage to be devoted to annual or perennial cover. The Secretary may provide cost share for establishment of perennial cover. |
| 5.21 Conserving crops on reduced acres | The Secretary may permit all or any portion of reduced acreage on a farm to be devoted to sweet sorghum, guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, rye, or other commodities, if the Secretary determines that production of these crops is not likely to increase the cost of the price support program, will not adversely affect farm income, and the production is needed to provide an adequate supply of the commodities. | Same as 1985 Farm Bill, except deletes safflower, sunflower, mustard seed, and flaxseed; and, adds mung beans and milkweed. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|-------------------------|--|--|--|
| 5.22 Haying and grazing | Haying and grazing shall be permitted on reduced acreage, conserving use acreage, and on acreage diverted under an annual land diversion programs, except during any consecutive 5-month period between April 1 and October 31 that is established by the State committee. The Secretary may permit unlimited haying and grazing in the case of natural disasters. Haying and grazing shall not be permitted for any crop if the Secretary determines that haying and grazing would have an adverse economic effect. | Haying and grazing shall be permitted on reduced acreage, conserving use acreage, and on acreage diverted under an annual land diversion programs, except during any consecutive 5-month period between April 1 and October 31 that is established by the State committee. The Secretary may permit unlimited haying and grazing in the case of natural disasters. The Secretary may not exclude irrigated or irrigable acreage not planted in alfalfa when exercising this authority. | The 1990 Farm Bill removes the provision whereby the Secretary may prohibit haying and grazing if it would create an adverse economic hardship, and prohibits the Secretary from excluding irrigated or irrigable acreage not planted in alfalfa when exercising the authority to permit unlimited haying and grazing in the case of a natural disaster. |
| 5.23 Water storage uses | No such provision. | Regulations issued by the Secretary shall provide that land converted to water storage areas shall be considered to be devoted to conservation uses if the land was planted to program crops or oilseeds in at least 3 out of the last 5 years. Such land is eligible for up to 5 years if it remains in water storage, is not devoted to commercial uses (including commercial fish production), is not ground water, and the farm was irrigated with ground water during at least 1 of the last 5 years. | The 1990 Farm Bill allows land converted to water storage areas to be considered as conserving use acres for program purposes under certain conditions. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--|---|---|--|
| 5.24 Land diversion payments | The Secretary may make land diversion payments to producers of upland cotton, whether or not an acreage limitation program for upland cotton is in effect, if the Secretary determines that the land diversion payments are necessary to assist in adjusting the total national acreage of upland cotton to desirable goals. The amounts payable under land diversion contracts may be determined by bids from producers or through such other means as the Secretary determines appropriate. | Same as 1985 Farm Bill, except, if at the time of the final announcement of the acreage limitation program (Jan. 1) the Secretary estimates that upland cotton carryover will exceed 8 million bales, the Secretary shall offer a paid diversion program with a minimum payment rate of \$0.35/lb. The maximum PLD shall not exceed 15%. The Secretary may allow producers, at their option, to participate at a lower PLD percentage if it would increase program participation. | The 1990 Farm Bill maintains discretionary land diversion payments except when carryover stocks exceed 8 million bales. In addition, the Conference Report indicates that the Conferees intend that, in addition to using the maximum ARP authority, the Secretary should also use the paid land diversion authority to the maximum extent practicable to achieve the 30% stocks/use target. |
| 5.25 Conservation practices | <p><u>Wildlife food plots or habitat:</u> Reduced acreage and additional diverted acreage may be devoted to wildlife food plots or habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may pay an appropriate share of the cost of such practices.</p> <p><u>Public accessibility:</u> The Secretary may provide for an incentive payment if producers allow, without other compensation, public access for hunting or other recreational uses of farmland.</p> | Same as 1985 Farm Bill. | |
| 5.26 Modification or termination of participation agreements | The Secretary may, by mutual agreement with producers on a farm, modify or terminate any program participation agreement if the Secretary determines the action necessary because of an emergency created by drought or other disaster, or to prevent or alleviate a shortage in the supply of agricultural commodities. | Same as 1985 Farm Bill, except adds the restriction that the Secretary may modify agreements with producers for the purpose of alleviating a shortage in supply of the commodity only if there has been a significant change in the estimated stocks of the commodity since the final program announcement. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|-----------------------------------|---|---|---|
| 5.27 Inventory reduction payments | The Secretary may make loan deficiency payments (in the form of upland cotton owned by the CCC) available to producers who agree to forgo obtaining a loan or receiving a deficiency payment, and who do not plant in excess of crop acreage base less one-half of the ARP requirement. | Same as 1985 Farm Bill, except payments may be made in the form of marketing certificates. | The inventory reduction program remains discretionary in the 1990 Farm Bill. |
| 5.28 Equitable relief | <p><u>Loans, purchases, and payments:</u> If the failure of a producer to fully comply with the terms of the program precludes the making of loans, purchases, or payments, the Secretary may make such loans, etc., in such amounts as the Secretary determines are equitable in relation to the seriousness of the failure.</p> <p><u>Deadlines and program requirements:</u> The Secretary may authorize county and State committees to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such requirements does not adversely affect the operation of the program.</p> | <p><u>Loans, purchases, and payments:</u> Same as 1985 Farm Bill, except the Secretary may also consider whether the producer made a good faith effort to comply with the terms of the program.</p> <p><u>Deadlines and program requirements:</u> Same as 1985 Farm Bill.</p> | The 1990 Farm Bill allows for some relief for producers who make a good faith effort to comply with program provisions. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--|--|--|--|
| 5.29 a) Cross-compliance | <p>The Secretary may not require compliance with other commodity programs as a condition of eligibility for upland cotton loans or payments.</p> <p>The Secretary may require that, as a condition of eligibility of producers on a farm for loans, purchases, or payments, the acreage planted on the farm to any other commodity for which an acreage limitation program is in effect not exceed the crop acreage base for that commodity.</p> | <p>Compliance on a farm with the terms and conditions of any other commodity program, or with the crop acreage base requirements for any other commodity, may not be required as a condition of eligibility for loans, purchases, or payments under the upland cotton program.</p> | <p>The 1990 Farm Bill prohibits both cross- and offsetting compliance as conditions for program eligibility.</p> |
| b) Offsetting compliance | <p>The Secretary may not require producers, as a condition of program eligibility, to comply with the terms of the upland cotton program on other farms operated by the producer.</p> | <p>Same as 1985 Farm Bill.</p> | |
| 5.30 Special limited global import quota | <p>Whenever the Secretary determines that the average price of base quality upland cotton in designated spot markets for a month exceeded 130% of the average price in such markets for the preceding 36 months, there shall immediately be in effect a special global import quota. The quantity of the quota shall be 21 days of domestic mill consumption. If a special quota has been established during the preceding 12 months, the quota shall be the smaller of 21 days of domestic mill consumption, or the quantity required to increase supply to 130 percent of demand. When a quota is established, cotton may be entered under the quota for 90 days. Quota periods may not overlap.</p> | <p>Same as 1985 Farm Bill, except requires the President to establish an import quota program within 180 days after enactment which operates in a similar manner.</p> | <p>This special import quota program cannot be established if a special quota based on Northern Europe prices in effect.</p> |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--|--|---|--|
| 5.31 Skiprow practices | The same rules that were in effect for the 1971-1973 crops for classifying the acreage planted to cotton and the area skipped shall apply to the 1974-1990 crops. | Same as 1985 Farm Bill, except the rules shall allow 30 inch rows to be taken into account for classifying the acreage planted to cotton and the area skipped. | The 1990 Farm Bill allows 30" rows to be accounted for when measuring acreage planted to cotton in a skip row pattern. Previously, rows had to be at least 32" to count. |
| 5.32 Preliminary allotments for the 1996 crop of upland cotton | Similar provision with respect to the 1991 crop of upland cotton. | The permanent State, county, and farm base acreage allotments for the 1977 crop of upland cotton, adjusted for underplantings and reconstitutions, shall be the preliminary allotments for the 1996 crop. | |
| 5.33 Extra-long staple cotton program | Provisions similar to those for upland cotton except: <u>Loan rate</u> equal to 85% of 5-year moving average of prices received by producers of ELS cotton, dropping the high and low. Must announce loan rate by December 1. <u>Target price</u> equal to 120% of the loan rate. No ARP stocks target and no maximum ARP. | Same as 1985 Farm Bill, except allows for a zero percent ARP; and adds same cross- and offsetting compliance language as under upland cotton. National Program Acreage and the program allocation factor were also removed. | |
| 5.34 Cottonseed and cottonseed oil price support | No such provision. | If the Secretary determines that any oilseed programs cause, or are likely to cause, a reduction in the prices received by producers for cottonseed or by processors for cottonseed oil, the Secretary shall take necessary action to stabilize or increase the price of cottonseed (as opposed to decreasing the price of other oilseeds). | The 1990 Farm Bill requires the Secretary to consider the impacts of oilseed programs on cottonseed or cottonseed oil, and to take appropriate action if such impacts are adverse. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|-------------------------------|--|--|---|
| 5.35 Security interests | No such provision. | The United States Warehouse Act is amended so that the Secretary may provide that in lieu of issuing a receipt for cotton stored in a warehouse, warehouses with appropriate facilities shall record such information in a central location accessible by electronic means. Such records shall represent enforceable liens against owners and purchasers of cotton registered in the central filing system. The Secretary shall provide for the collection of reasonable fees to cover the estimated costs to USDA of operating the central filing system. | The 1990 Farm Bill allows for electronic storage and transfer of cotton warehouse receipts. |
| 5.36 National program acreage | For any crop of upland cotton for which there is no acreage limitation program in effect, the Secretary shall proclaim a national program acreage no later than November 1. The NPA shall be the number of harvested acres the Secretary determines will produce the quantity (less imports) that the Secretary estimates will be used domestically and for export during the marketing year. The NPA may be adjusted to accomplish desired carryover, but cannot be less than 10 million acres. | No such provision. | The 1990 Farm Bill removes authority for National Program Acreage for upland cotton. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--------------------------------|--|--------------------|--|
| 5.37 Program allocation factor | The Secretary shall determine a program allocation factor for each crop of upland cotton. The allocation factor shall be determined by dividing the NPA by the number of acres that the Secretary estimates will be harvested. The allocation factor must not be more than 100%. Individual farm program acreage shall be the allocation factor multiplied by the planted for harvest on the farm. The individual farm program acreage cannot be further reduced by application of the allocation factor if producers reduce planted acreage from the crop acreage base by at least the percentage recommended by the Secretary in the proclamation of the national program acreage. | No such provision. | The 1990 Farm Bill removes authority for an allocation factor for upland cotton. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments | | | | | | | | | | | | | | | | | | |
|------------------------|--|----------------|----------|------|----|------|--|------|-----|------|--------|------|------|------|------|------|------|------|------|--|---|
| | TITLE VI -- RICE | | | | | | | | | | | | | | | | | | | | |
| 6.1 Loan rate for rice | <p><u>1986</u>: \$7.20/cwt..</p> <p>1987-1990: The loan rate for rice shall be the higher of 85% of a 5-year moving average of prices received by producers, dropping the high and the low; or, \$6.50/cwt..</p> <p>The loan rate may not be reduced more than the following percent reduction from the previous year:</p> <table><tr><td>1987</td><td>5%</td></tr><tr><td>1988</td><td>3%</td></tr><tr><td>1989</td><td>5% + 2% if necessary to maintain competitive market position</td></tr><tr><td>1990</td><td>5%.</td></tr></table> <p>The loan rate shall be announced no later than January 31.</p> <p>Loans are for no more than 9 months, beginning after the month in which the loan was made.</p> <p><u>Note</u>: Loan rates for rice under the 1985 Farm Bill were (\$/cwt):</p> <table><tr><td>1986</td><td>\$7.20</td></tr><tr><td>1987</td><td>6.84</td></tr><tr><td>1988</td><td>6.63</td></tr><tr><td>1989</td><td>6.50</td></tr><tr><td>1990</td><td>6.50</td></tr></table> | 1987 | 5% | 1988 | 3% | 1989 | 5% + 2% if necessary to maintain competitive market position | 1990 | 5%. | 1986 | \$7.20 | 1987 | 6.84 | 1988 | 6.63 | 1989 | 6.50 | 1990 | 6.50 | <p>The loan rate for rice determined as 85% of a 5-year moving average of prices received by producers, dropping the high and low, with a minimum of \$6.50/cwt. The loan rate cannot be reduced more than 5% from the previous year.</p> <p>The loan rate for rice must be announced prior to January 31.</p> <p>The loan for rice is for a period of not more than 9 months, beginning after the month in which the application is made.</p> | <p>The 1990 Farm Bill maintains the \$6.50 minimum loan rate.</p> |
| 1987 | 5% | | | | | | | | | | | | | | | | | | | | |
| 1988 | 3% | | | | | | | | | | | | | | | | | | | | |
| 1989 | 5% + 2% if necessary to maintain competitive market position | | | | | | | | | | | | | | | | | | | | |
| 1990 | 5%. | | | | | | | | | | | | | | | | | | | | |
| 1986 | \$7.20 | | | | | | | | | | | | | | | | | | | | |
| 1987 | 6.84 | | | | | | | | | | | | | | | | | | | | |
| 1988 | 6.63 | | | | | | | | | | | | | | | | | | | | |
| 1989 | 6.50 | | | | | | | | | | | | | | | | | | | | |
| 1990 | 6.50 | | | | | | | | | | | | | | | | | | | | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--|--|---|---|
| 6.2 Marketing loan provisions for rice | <p>The Secretary shall permit a producer to repay a loan at the lesser of: (1) the loan rate; or, (2) the higher of (a) 50% of the loan rate for 1986 and 1987; 60% of the loan rate for 1988; or, 70% of the loan rate for 1989 and 1990; or, (b) the prevailing world market price.</p> <p>As a condition of permitting a producer to repay a marketing loan, the Secretary may require a producer to purchase marketing certificates equal to no more than one-half the difference between the amount of the producer's loan and the amount of the loan repayment. The certificates may be redeemable for commodities owned by the CCC or for cash. To the extent practicable, certificate holders may designate their preference for commodities and storage locations to be exchanged for the certificates.</p> | <p>The Secretary shall permit a producer to repay a loan at the lesser of: (1) the loan rate; or, (2) the higher of (a) 70% of the loan rate; or, (b) the prevailing world market price.</p> <p>As a condition of permitting a producer to repay a marketing loan, the Secretary may require a producer to purchase marketing certificates equal to no more than one-half the difference between the amount of the producer's loan and the amount of the loan repayment. The certificates may be redeemable for commodities owned by the CCC or for cash. To the extent practicable, certificate holders may designate their preference for commodities and storage locations to be exchanged for the certificates.</p> | The 1990 Farm Bill continues mandatory marketing loans for rice. |
| 6.3 Certificates to maintain competitiveness | Whenever the prevailing world market price for a class of rice (adjusted to U.S. quality and location) is below the current loan repayment rate for that class of rice, the CCC shall make payments, in the form of marketing certificates, to eligible program participants. The certificates may be either rice-specific or generic. The payments shall be in such amount as to make U.S. rice available at a competitive price. The value of the certificate shall be based on the difference between (1) the loan repayment rate for the class of rice; and, (2) the prevailing world market price. | Whenever the prevailing world market price for a class of rice (adjusted to U.S. quality and location) is below the current loan repayment rate for that class of rice, the CCC shall make payments, in the form of marketing certificates, to eligible program participants. The payments shall be in such amount as to make U.S. rice available at a competitive price. The value of the certificate shall be based on the difference between (1) the loan repayment rate for the class of rice; and, (2) the prevailing world market price. | The 1990 Farm Bill removes the authority to issue rice-specific marketing certificates to participants if the world market price is below the loan repayment rate. Any certificates issued will be generic. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|------------------------------|--|---|--|
| 6.4 Loan deficiency payments | The Secretary may make payments available to producers who, although eligible to obtain a loan, agree to forgo obtaining a loan in return for payments. Payments are calculated as the loan payment rate (i.e., the amount by which the loan rate exceeds the loan repayment rate) multiplied by the quantity of rice the producer is eligible to place under loan but for which the producer forgoes obtaining a loan, not to exceed an amount determined by multiplying the farm program acreage by the farm program payment yield. The Secretary may make up to one-half of these payments in the form of marketing certificates. | The Secretary shall make payments available to producers who, although eligible to obtain a loan, agree to forgo obtaining a loan in return for payments. Payments are calculated as the loan payment rate (i.e., the amount by which the loan rate exceeds the loan repayment rate) multiplied by the quantity of rice the producer is eligible to place under loan but for which the producer forgoes obtaining a loan. The Secretary may make up to one-half of these payments in the form of marketing certificates. | The 1990 Farm Bill makes loan deficiency payments mandatory and eliminates the limit on the quantity eligible for such payments. |
| 6.5 Deficiency payment rate | The deficiency payment rate for rice shall be the amount by which the target price exceeds the higher of: (1) the national average market price received by producers during the first 5 months of the marketing year; or, (2) the loan rate. | The deficiency payment rate for rice shall be the amount by which the target price exceeds: <u>1991-1993</u> : the higher of (1) the national average market price received by producers during the first 5 months of the marketing year; or, (2) the loan rate. <u>1994-1995</u> : the higher of (1) the lesser of (a) the calendar year average price for the year which includes the first 5 months of the marketing year; or, the 5-month price plus an appropriate amount that is fair and reasonable in relation to wheat and feed grains; or, (2) the loan rate. | The 1990 Budget Reconciliation Act modifies the calculation of the deficiency payment rate for the 1994 and 1995 crops. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments | | | | | | | | | | |
|------------------------------------|---|---|--|------|-------|------|-------|------|-------|------|-------|---|---|
| 6.6 Target price for rice | <p>The target price for rice shall not be less than the following (\$/cwt):</p> <table><tr><td>1986</td><td>\$11.90</td></tr><tr><td>1987</td><td>11.66</td></tr><tr><td>1988</td><td>11.15</td></tr><tr><td>1989</td><td>10.80</td></tr><tr><td>1990</td><td>10.71</td></tr></table> | 1986 | \$11.90 | 1987 | 11.66 | 1988 | 11.15 | 1989 | 10.80 | 1990 | 10.71 | The minimum target price for rice for 1991-1995 is \$10.71/cwt. | The 1990 Farm Bill freezes target prices at the 1990 level for the 1991-1995 crops. |
| 1986 | \$11.90 | | | | | | | | | | | | |
| 1987 | 11.66 | | | | | | | | | | | | |
| 1988 | 11.15 | | | | | | | | | | | | |
| 1989 | 10.80 | | | | | | | | | | | | |
| 1990 | 10.71 | | | | | | | | | | | | |
| 6.7 Maximum payment acres for rice | Payment acres for a crop shall be the lesser of (1) the number of acres planted for harvest; or, (2) the permitted acreage (100 percent of the crop acreage base for the farm less the quantity of reduced acreage). | Payment acres for a crop shall be the lesser of (1) the number of acres planted for harvest; or, (2) 85 percent of the crop acreage base for the farm less the quantity of reduced acreage. | The 1990 Budget Reconciliation Act reduces the maximum potential payment acres by 15%. | | | | | | | | | | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|----------------------------|---|---|---|
| 6.8 50/92 program for rice | <p>If an acreage limitation program is in effect and producers devote more than 8 percent of their permitted acres to conserving uses, the portion of the permitted acreage in excess of 8 percent devoted to conserving uses shall be considered planted to rice for purposes of determining the individual farm program acreage, and producers shall be eligible for deficiency payments with respect to such acreage at a per-hundredweight payment rate determined by the Secretary. A producer's crop acreage base or program payment yield cannot be adversely affected by participation in the 50/92 program.</p> <p>Producers must plant at least 50 percent of their permitted acreage to rice to qualify for payments, except where State or local agencies prohibit planting rice due to a quarantine; or, for 1987 only, if 50% or more of permitted acreage is subject to flooding as a result of damage to a levee from flooding in 1986, and the farm is located in a county eligible to receive disaster emergency loans.</p> | <p>Same as 1985 Farm Bill, except: (1) deficiency payment rate may not be less than the projected rate at the time of program sign-up; (2) producers are not subject to the 50% planting provision in areas where the producer was prevented from planting rice due to drought, flood, or other natural disaster; and, (3) the 8% required conserving use and the 50% minimum planting requirement is calculated off the maximum payment acreage rather than the permitted acreage.</p> | <p>The 1990 Farm Bill guarantees the projected deficiency payment rate to rice, allows rice prevented from planting by adverse weather to forgo the 50% planting requirement, and makes the 50/92 provision subject to the 15 percent reduction in payment acreage provision in the 1990 Budget Reconciliation Act.</p> |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---|--|---|--|
| 6.9 Alternative crops on conserving use acres | The Secretary may permit all or any portion of acreage required to be devoted to conserving uses to be devoted to sweet sorghum, guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, rye, commodities for which no substantial domestic production or market exists but that could yield industrial raw materials being imported, or commodities grown for experimental purposes (including kenaf). The Secretary may permit production of these crops only if the production is not likely to increase the cost of the price support program and will not adversely affect farm income; and, the production is needed to provide an adequate supply of the commodity or is needed to encourage increased industrial use of the raw material. | Same as 1985 Farm Bill, except removes safflower, sunflower, mustard seed, and flaxseed; and, adds mung beans and milkweed on the list of eligible alternative crops. | The 1990 Farm Bill does not allow minor oilseeds to be planted on rice conserving use acres. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|------------------------|--|-------------------------|--|
| 6.10 Disaster programs | <p>The total quantity of rice on which deficiency payments would otherwise be payable shall be reduced by the quantity on which any disaster payment is made to producers.</p> <p><u>Prevented planting:</u> If the Secretary determines that the producers on a farm are prevented from planting any portion of acreage intended for rice or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to the producers in an amount equal to: (1) the number of affected acres (but not more than rice acres planted for harvest in the immediately preceding year); multiplied by (2) 75 percent of the farm program payment yield; multiplied by (3) a payment rate equal to 33-1/3 percent of the target price.</p> <p><u>Reduced yields:</u> If the Secretary determines that because of drought, flood, etc., the total quantity of rice that producers are able to harvest on a farm is less than the result of multiplying 75 percent of the farm program payment yield by the acreage planted for harvest for the crop, the Secretary shall make a reduced yield disaster payment to the producers at a rate equal to 33-1/3 percent of the target price for the crop for the deficiency in production below 75 percent for the crop.</p> | Same as 1985 Farm Bill. | The 1990 Farm Bill continues prevented-planting and reduced-yield disaster payments. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---|--|--|---|
| 6.11 Crop insurance and disaster payments | Producers shall not be eligible for prevented planting or reduced yield disaster payments if prevented planting or reduced yield crop insurance is available to producers. However, the Secretary may make disaster payments to producers if, as the result of drought, flood, etc., the producer suffers substantial losses due to prevented planting or reduced yields, the losses have created an economic emergency for the producers, and crop insurance indemnity payments and other forms of Federal assistance are insufficient to alleviate the economic emergency. | Same as 1985 Farm Bill. | |
| 6.12 Acreage reduction programs | <p>The Secretary shall, to the maximum extent practicable, carry out an acreage limitation program in a manner that will result in a carryover of 30 million cwt.</p> <p>If a rice acreage limitation program is announced, such limitation shall be achieved by applying a uniform percentage reduction (not to exceed 35%) of the crop acreage base for each rice-producing farm.</p> | <p>The Secretary shall carry out an acreage limitation program that will result in carryover stocks equal to 16.5 to 20.0 percent of the average total disappearance of rice over the preceding 3 marketing years. Any such program shall be announced by <u>January 31</u>.</p> <p>Except for the Targeted Option Program, if a rice acreage limitation program is announced, such limitation shall be achieved by applying a uniform percentage reduction (from 0 to 35%) to the crop acreage base for each rice-producing farm.</p> | The 1990 Farm Bill changes the criteria for ARPs from a specific carryover target (30 mil. cwt.) to a range of average stocks/use. Maximum ARP maintained at 35%. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---|---|--|--|
| 6.13 Acreage devoted to conservation uses | A number of acres on the farm, determined by dividing (1) the product obtained by multiplying the number of acres required to be withdrawn from the production of rice times the number of acres planted to rice; by (2) the number of acres authorized to be planted to rice under the limitation established by the Secretary. The number of acres so determined is referred to as "reduced acres." | A number of acres on the farm, determined by multiplying the rice crop acreage base by the percentage reduction required by the Secretary, shall be devoted to conservation uses. The number of acres so determined is referred to as "reduced acres." | The 1990 Farm Bill simplifies the calculation of conserving use acres. |
| 6.14 Planting designated crops on reduced acreage | No such provision. | <p>The Secretary may permit producers to plant a designated crop on no more than one-half of the reduced acreage on the farm, with loss in deficiency payments on a number of acres determined by the Secretary that will assure no additional cost to CCC. If the producer participates in more than one program crop on the farm, payments will be reduced on a prorata basis.</p> <p>Designated crops are defined as: any oilseed; any industrial or experimental crops designated by the Secretary; any other crop, except program crops and fruit or vegetable crops (including potatoes and dry edible beans) not designated by the Secretary as an industrial or experimental crop, or a crop for which no substantial domestic production or market exists. The Secretary may prohibit the planting of any of the above crops.</p> | The 1990 Farm Bill allows, subject to Secretary's discretion, up to one-half of reduced acreage to be planted to designated crops. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|-------------------------------|--------------------|---|--|
| 6.15 Targeted option payments | No such provision. | <p>If the Secretary implements an acreage limitation program, the Secretary may permit producers who do not receive 50/92 payments for rice to adjust the ARP requirement in the following manner:</p> <p><u>Increased acreage limitation option:</u> If offered, producers have the option to increase their ARP above the announced ARP percentage by up to 5 percentage points, excluding average underplantings of rice for the previous 2 years. Secretary must <u>increase the target price</u> by not less than 0.5 nor more than 1.0 percent for each 1-percentage point increase in the ARP.</p> <p><u>Decreased acreage limitation option:</u> If offered, producers may, <u>decrease their ARP</u>, but not by more than one-half of the announced ARP. The Secretary must <u>decrease the target price</u>, by not less than 0.5% nor more than 1.0% for each 1-percentage point decrease in the ARP.</p> <p>The Secretary shall, to the extent practicable, ensure that the targeted option program is offered in a manner that does not have a significant effect on program participation, total production, or does not result in additional budget outlays. The Secretary shall provide an analysis of the determination to both Agriculture Committees.</p> | The 1990 Farm Bill introduces target option payments, subject to Secretary's discretion. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---|--|---|---|
| 6.16 Annual or perennial cover on reduced acreage | Acreage required to be devoted to conservation uses must be protected from weeds and wind and water erosion. | <p>Acreage required to be devoted to conservation uses must be protected from weeds and wind and water erosion.</p> <p>A participating producer is required to plant an annual or perennial cover on at least 50 percent of the acreage removed from production, not to exceed 5 percent of the crop acreage base. If the producer elects to establish a perennial cover, CCC shall make cost share assistance available for 25 percent of the approved cost of establishing the cover on not more than 50 percent of the acreage diverted from production, not to exceed 5 percent of the crop acreage base. The producer shall agree to maintain the perennial cover for a minimum of 3 years. This requirement shall not apply to designated arid areas (including summer fallow areas).</p> | The 1990 Farm Bill requires 50% (not to exceed 5% of the crop acreage base) of reduced acreage to be devoted to annual or perennial cover. The Secretary may provide cost share for establishment of perennial cover. |
| 6.17 Conserving crops on reduced acreage | The Secretary may permit all or any portion of reduced acreage on a farm to be devoted to sweet sorghum, guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, rye, or other commodities, if the Secretary determines that production of these crops is not likely to increase the cost of the price support program, will not adversely affect farm income, and the production is needed to provide an adequate supply of the commodities. | Same as 1985 Farm Bill, except deletes safflower, sunflower, mustard seed, and flaxseed; and, adds mung beans and milkweed. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|-------------------------|---|---|--|
| 6.18 Haying and grazing | <p>Haying and grazing shall be permitted on reduced acreage, conserving use acreage, and on acreage diverted under an annual land diversion programs, except during any consecutive 5-month period between April 1 and October 31 that is established by the State committee. The Secretary may permit unlimited haying and grazing in the case of natural disasters. Haying and grazing shall not be permitted for any crop if the Secretary determines that haying and grazing would have an adverse economic effect.</p> | <p>Haying and grazing shall be permitted on reduced acreage, conserving use acreage, and on acreage diverted under an annual land diversion programs, except during any consecutive 5-month period between April 1 and October 31 that is established by the State committee. The Secretary may permit unlimited haying and grazing in the case of natural disasters. The Secretary may not exclude irrigated or irrigable acreage not planted in alfalfa when exercising this authority.</p> | <p>The 1990 Farm Bill removes the provision whereby the Secretary may prohibit haying and grazing if it would create an adverse economic hardship, and prohibits the Secretary from excluding irrigated or irrigable acreage not planted to alfalfa when exercising the authority to permit unlimited haying and grazing in the case of natural disasters.</p> |
| 6.19 Water storage uses | <p>No such provision.</p> | <p>Regulations issued by the Secretary shall provide that land converted to water storage areas shall be considered to be devoted to conservation uses if the land was planted to program crops or oilseeds in at least 3 out of the last 5 years. Such land is eligible for up to 5 years if it remains in water storage, is not devoted to commercial uses (including commercial fish production), is not ground water, and the farm was irrigated with ground water during at least 1 of the last 5 years.</p> | <p>The 1990 Farm Bill allows land converted to water storage areas to be considered as conserving use acres for program purposes under certain conditions.</p> |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--|---|---|---|
| 6.20 Land diversion program | The Secretary may make land diversion payments to producers of rice, whether or not an acreage limitation program for rice is in effect, if the Secretary determines that the land diversion payments are necessary to assist in adjusting the total national acreage of rice to desirable goals. The amounts payable under land diversion contracts may be determined by bids from producers or through such other means as the Secretary determines appropriate. | Same as 1985 Farm Bill. | The 1990 Farm Bill maintains discretionary land diversion payments. |
| 6.21 Conservation practices | <p><u>Wildlife food plots or habitat:</u> Reduced acreage and additional diverted acreage may be devoted to wildlife food plots or habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may pay an appropriate share of the cost of such practices.</p> <p><u>Public accessibility:</u> The Secretary may provide for an incentive payment if producers allow, without other compensation, public access for hunting or other recreational uses of farmland.</p> | Same as 1985 Farm Bill. | |
| 6.22 Modification or termination of participation agreements | The Secretary may, by mutual agreement with producers on a farm, modify or terminate any program participation agreement if the Secretary determines the action necessary because of an emergency created by drought or other disaster, or to prevent or alleviate a shortage in the supply of agricultural commodities. | Same as 1985 Farm Bill, except adds the restriction that the Secretary may modify agreements with producers for the purpose of alleviating a shortage in supply of the commodity only if there has been a significant change in the estimated stocks of the commodity since the final program announcement. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|-----------------------------------|---|---|---|
| 6.23 Inventory reduction payments | The Secretary may make loan deficiency payments (in the form of rice owned by the CCC) available to producers who agree to forgo obtaining a loan or receiving a deficiency payment, and who do not plant in excess of crop acreage base less one-half of the ARP requirement. | Same as 1985 Farm Bill. | Inventory reduction payments remain discretionary under the 1990 Farm Bill. |
| 6.24 Equitable relief | <p><u>Loans, purchases, and payments:</u> If the failure of a producer to fully comply with the terms of the program precludes the making of loans, purchases, or payments, the Secretary may make such loans, etc., in such amounts as the Secretary determines are equitable in relation to the seriousness of the failure.</p> <p><u>Deadlines and program requirements:</u> The Secretary may authorize county and State committees to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such requirements does not adversely affect the operation of the program.</p> | <p><u>Loans, purchases, and payments:</u> Same as 1985 Farm Bill, except the Secretary may also consider whether the producer made a good faith effort to comply with the terms of the program.</p> <p><u>Deadlines and program requirements:</u> Same as 1985 Farm Bill.</p> | The 1990 Farm Bill allows for some relief for producers who make a good faith effort to comply with program provisions. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|-------------------------------|--|---|---|
| 6.25 a) Cross-compliance | <p>The Secretary may not require compliance with other commodity programs as a condition of eligibility for upland cotton loans or payments.</p> <p>The Secretary may require that, as a condition of eligibility of producers on a farm for loans, purchases, or payments, the acreage planted on the farm to any other commodity for which an acreage limitation program is in effect not exceed the crop acreage base for that commodity.</p> | <p>Compliance on a farm with the terms and conditions of any other commodity program, or with the crop acreage base requirements for any other commodity, may not be required as a condition of eligibility for loans, purchases, or payments under the rice program.</p> | The 1990 Farm Bill prohibits both cross- and offsetting compliance. |
| b) Offsetting compliance | <p>The Secretary may not require producers, as a condition of program eligibility, to comply with the terms of the rice program on other farms operated by the producer.</p> | Same as 1985 Farm Bill. | |
| 6.26 National program acreage | <p>For any crop of rice for which there is no acreage limitation program in effect, the Secretary shall proclaim a national program acreage no later than January 31. The NPA shall be the number of harvested acres the Secretary determines will produce the quantity (less imports) that the Secretary estimates will be used domestically and for export during the marketing year. The NPA may be adjusted to accomplish desired carryover.</p> | No such provision. | The 1990 Farm Bill removes provisions related to NPA. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--------------------------------|---|--------------------|---|
| 6.27 Program allocation factor | The Secretary shall determine a program allocation factor for each crop of rice for which marketing quotas are not in effect. The allocation factor for rice shall be determined by dividing the NPA by the number of acres that the Secretary estimates will be harvested. The allocation factor must not be more than 100% nor less than 80%. | No such provision. | The 1990 Farm Bill removes provisions related to the program allocation factor. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments | | | | | | | | | | |
|----------------------------|--|--|---|------|--------|------|------|------|------|------|------|------|------|
| | TITLE VII -- OILSEEDS | | | | | | | | | | | | |
| 7.1 Definition of oilseeds | No such provision. | The term "oilseeds" means soybeans, sunflower seed, canola, rapeseed, safflower, flaxseed, mustard seed, and such other oilseeds as the Secretary may determine. | The 1985 Farm Bill directly authorizes price support only for soybeans and sunflower seed, and only requires price support for soybeans. | | | | | | | | | | |
| 7.2 Loan rate for oilseeds | <p><u>1986 and 1987 crops of soybeans:</u> The support price shall be \$5.02/bu.</p> <p><u>1988-1990 crops of soybeans:</u> The support price shall be 75% of a 5-year moving average of prices received by producers, dropping the high and low. The loan rate may not be reduced more than 5% in any year, and there is a \$4.50/bu. minimum. The Secretary may reduce the loan rate to make soybeans more competitive and to reduce potential stock accumulation, but the 5% rule and the \$4.50 minimum would still hold.</p> <p>The Secretary shall make a preliminary announcement of the soybean loan rate not earlier than 30 days before the beginning of the marketing year, and make a final announcement no later than October 1.</p> <p><u>Cottonseed:</u> Whenever the price of either cottonseed or soybeans is supported, the price of the other shall be supported at a level that will cause them to compete on equal terms on the market.</p> | <p><u>Soybeans:</u> A marketing loan rate of not less than \$5.02/bu. for each of the 1991-1995 crops.</p> <p><u>Marketing loans for sunflower seed, canola, rapeseed, safflower, mustard seed, and flaxseed:</u> Not less than \$0.089/lb. for each of the 1991-1995 crops.</p> <p><u>Other oilseeds:</u> Shall be at such level determined to be fair and reasonable in relation to the loan rate for soybeans, except that, in the case of cottonseed, in no event less than the loan rate for soybeans on a per-pound basis.</p> <p>For the 1992-1995 crops, the Secretary shall announce the loan rate for a crop no later than November 15.</p> <p>An oilseed loan shall mature on the last day of the 9th month following the month the application for the loan is made.</p> | <p>The 1990 Farm Bill authorizes marketing loans for the six minor oilseeds.</p> <p><u>Note:</u> Loan rates for soybeans under the 1985 Farm Bill were (\$/bu):</p> <table style="margin-left: auto; margin-right: auto;"> <tr><td>1986</td><td>\$4.77</td></tr> <tr><td>1987</td><td>4.77</td></tr> <tr><td>1988</td><td>4.77</td></tr> <tr><td>1989</td><td>4.53</td></tr> <tr><td>1990</td><td>4.50</td></tr> </table> | 1986 | \$4.77 | 1987 | 4.77 | 1988 | 4.77 | 1989 | 4.53 | 1990 | 4.50 |
| 1986 | \$4.77 | | | | | | | | | | | | |
| 1987 | 4.77 | | | | | | | | | | | | |
| 1988 | 4.77 | | | | | | | | | | | | |
| 1989 | 4.53 | | | | | | | | | | | | |
| 1990 | 4.50 | | | | | | | | | | | | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|-----------------------------------|---|---|---|
| 7.3 Marketing loan provisions | The Secretary may permit a producer to repay a loan at a level that is the lesser of: (1) the loan rate; or (2) the prevailing world market price for soybeans. | The Secretary shall permit a producer to repay a loan: (1) at a level that is the lesser of: (a) the loan rate; or, (b) the prevailing world market price; or (2) such other level (not in excess of the loan rate for the crop) that the Secretary determines will minimize loan forfeitures, minimize cost of accumulating and storing oilseeds, and allow U.S. oilseeds to be marketed freely. | The 1990 Farm Bill mandates marketing loans for oilseeds. |
| 7.4 Prevailing world market price | If the Secretary implements a marketing loan, the Secretary shall prescribe by regulation a formula to define the prevailing world market price for oilseeds; and, a mechanism to periodically announce such a price. | The Secretary shall prescribe by regulation a formula to define the prevailing world market price for oilseeds; and, a mechanism to periodically announce such a price. | |
| 7.5 Loan deficiency payments | No such provision. | The Secretary shall make payments available to producers who, although eligible to obtain a loan, agree to forgo obtaining a loan in return for payments. Payments are calculated as the loan payment rate (i.e., the amount by which the loan rate exceeds the loan repayment rate) multiplied by the quantity of oilseeds the producer is eligible to place under loan but for which the producer forgoes obtaining a loan. The Secretary may make payments in the form of certificates redeemable for any agricultural commodity owned by CCC. The Secretary shall make certificates available in such a manner as to minimize the accumulation of oilseed stocks. | The 1990 Farm Bill requires the Secretary to make loan deficiency payments available to eligible producers. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--------------------------------|---|---|--|
| 7.6 Loan origination fee | No such provision. | <p><u>Loans:</u> The Secretary shall charge a producer a loan origination fee for a crop of oilseeds, in connection with making a loan, equal to 2% of the value of the loan.</p> <p><u>Loan deficiency payments:</u> The Secretary shall deduct from the amount of any loan deficiency payment an amount equal to the amount of the loan origination fee that would have been paid if the producer had obtained a loan instead of the loan deficiency payment.</p> | The 1990 Budget Reconciliation Act imposes a 2% loan origination fee on oilseed loans. |
| 7.7 Marketing year | <u>Soybeans:</u> The 12-month period beginning September 1 and ending August 31. | <p><u>Soybeans:</u> The 12-month period beginning September 1 and ending August 31.</p> <p><u>Other oilseeds:</u> Shall be prescribed by the Secretary by regulation.</p> | The 1990 Farm Bill requires the Secretary to specify marketing years for minor oilseeds. |
| 7.8 Other terms and conditions | <p>The Secretary shall not require participation in any production adjustment program for oilseeds or any other commodity as a condition for price support for oilseeds.</p> <p>The Secretary shall not permit the planting of soybeans for harvest on reduced acreage or acreage set aside or diverted from production under any Federal program.</p> <p>The Secretary may not authorize payments to producers to cover the cost of storing oilseeds.</p> <p>Oilseeds may not be eligible for any reserve program.</p> | <p>The Secretary shall not require participation in any production adjustment program for oilseeds or any other commodity as a condition for price support for oilseeds.</p> <p>The Secretary may not authorize payments to producers to cover the cost of storing oilseeds.</p> <p>Oilseeds may not be eligible for any reserve program.</p> | The 1990 Farm Bill continues to prohibit production adjustment programs for oilseeds. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|-----------------------------|---|--|---|
| | TITLE VIII -- PEANUTS | | |
| 8.1 National poundage quota | <p>The national poundage quota shall be the level the Secretary estimates will be devoted to domestic edible, seed, and related uses, but not less than 1.1 million tons.</p> <p>The national poundage quota shall be announced no later than December 15.</p> <p>The national poundage quota shall be apportioned among the States in the same proportion as in 1985.</p> | Same as 1985 Farm Bill, except national poundage quota not less than 1.35 million tons; and, national quota apportioned among States in same proportion as in 1990. | The 1990 Farm Bill increases the minimum national poundage quota from 1.1 million to 1.35 million tons. |
| 8.2 Farm poundage quota | A farm poundage quota shall be established for each farm that had a peanut quota for 1985, or, in cases where the State proportion is increased from last year, for other farms which produced peanuts in 2 out of the preceding 3 years. The farm quota shall be the same as for last year, adjusted for any proportional increase or decrease in State quota based on production history over the past 3 years. | Same as 1985 Farm Bill, except farm poundage quota established for each farm that had a peanut quota for 1990. Also, adds provision that tenants may share equally with owners in any increase in quota. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--|---|---|--|
| 8.3 Allocation of increase in quota in Texas | No such provision. | In Texas, 33% of increase in State quota shall be allocated to farms having poundage quotas in 1990 in counties where additional peanuts exceeded total quota peanuts for 1989, except quota cannot be increased more than 100% for any county having a 1989 quota of more than 10,000 tons. Quota remaining after the 100% rule has been met shall be allocated to other counties which qualify under the same terms. Percentage of increased quota shall be allocated only to quota farms from which additional peanuts were delivered under contract in preceding year. Percentage allocated in proportion to a factor calculated as the total contract additional peanuts delivered, divided by the total remaining peanuts produced on the farm. | The 1990 Farm Bill adds provision related to allocation of increased quota in Texas. |
| 8.4 Quota not produced | Farm poundage quota shall be reduced to the extent quota not produced, or considered produced, in any 2 or the last 3 marketing years, excluding increases for undermarketing of quota peanuts from previous year, or any increase resulting from voluntarily releasing quota for 1 year. Farm poundage quota considered produced if: (1) quota not produced because of drought, flood, or other natural disaster; or, (2) quota voluntarily released for only 1 of last 3 marketing years. | Same as 1985 Farm Bill, except adds provision to give considered produced credit if quota leased to another owner or operator within the same county for transfer for only 1 of the last 3 marketing years. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---|--|---|---|
| 8.5 Allocation of quotas reduced or released | Farm poundage quotas established for a farm may be voluntarily released if not produced for a marketing year. The quantity of farm poundage quota reduced or voluntarily released shall be allocated to other farms in the State on which peanuts were produced in at least 2 out of the last 3 crop years. Not less than 25% of the total amount of farm quota to be allocated shall be given to farms for which no quota was established in the preceding year. | Same as 1985 Farm Bill, except provides that not more than 25% of the total amount of farm quota to be allocated shall be given to farms for which no quota was established in the preceding year, and adds provision that in Texas, the quantity of reduced or voluntarily released farm poundage quota shall be allocated in a manner similar to the allocation of increased farm quota in Texas. | The 1990 Farm Bill adds provision related to allocation of quotas reduced or released in Texas. |
| 8.6 Increase in undermarketings in previous marketing years | Except for quota reduced for failure to produce, the farm poundage quota for a farm shall be increased for a marketing year by the number of pounds by which the total marketings of quota peanuts from previous marketing years, excluding years before the 1984 crop, were less than the established quota for the years. The Secretary shall adjust the increase in quota due to undermarketings so that the total of all increases does not exceed 10% of the national poundage quota. Undermarketings may be used to transfer additional peanuts to quota loan pool on basis provided by the Secretary. | Same as in 1985 Farm Bill, except excludes years before 1989 crop. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---|--|-------------------------|----------|
| 8.7 Farm yield of peanuts | For each farm which has a farm poundage quota, the Secretary shall establish a farm yield for peanuts equal to the average yield for 1973-1977, dropping the high and low yields. If peanuts were not produced in at least 3 of the years 1973-1977, or there has been a significant change in the farming operation during such period, the Secretary shall establish an appraised yield equal to the yield of similar farms in the area. | Same as 1985 Farm Bill. | |
| 8.8 Referendum respecting poundage quotas | Not later than December 15 of each year, the Secretary shall conduct a referendum of producers regarding poundage quotas for the peanuts produced in the next 5 calendar years following the referendum. If two-thirds of the producers vote in favor of poundage quotas, no referendum shall be held for the 2nd, 3rd, 4th, and 5th years of the period. The Secretary shall proclaim the results within 30 days of the referendum. If more than one-third of producers oppose poundage quotas, the Secretary shall proclaim that no quotas will be in effect during that calendar year and a referendum will be held in the next calendar year. No price support may be made available for any crop of peanuts for which poundage quotas have been disapproved by producers. | Same as 1985 Farm Bill. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|-----------------|--|-------------------------|----------|
| 8.9 Definitions | <p><u>Additional peanuts:</u> Any peanuts marketed from a farm in excess of the farm poundage quota established for that farm; and, all peanuts marketed from a farm for which no farm poundage quota has been established.</p> <p><u>Crushing:</u> The processing of peanuts to extract oil for food uses and meal for feed uses.</p> <p><u>Domestic edible use:</u> Use for milling to produce domestic food peanuts (except for crushing) and seed and use on the farm, except seeds that are unique strains and are not commercially available.</p> <p><u>Quota peanuts:</u> For any marketing year, any peanuts produced on a farm having a farm poundage quota that are eligible for domestic edible use, are marketed or considered marketed from a farm, and do not exceed the farm poundage quota of the farm for the year.</p> | Same as 1985 Farm Bill. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---|---|---|--|
| 8.10 Sale, lease, or transfer of farm poundage quotas | <p>The owner, or operator with permission of the owner, of any farm for which a farm poundage quota has been established may sell or lease all or any part of the poundage quota to any other owner or operator of a farm within the same county, except that any such quota may be leased in the fall or after the normal planting season only if the quota has been planted on the farm from which the quota is to be leased. The owner or operator of a farm may transfer all or any part of the farm poundage quota to any other farm that is owned or controlled by the owner or operator in the same county (or contiguous county in the same State) that had a quota in the preceding year. In States with total quota of less than 10,000 tons for the preceding year, all or any part of the quota may be transferred by sale or lease from a farm in one county to a farm in another county in the same State. Transfers by sale or lease are subject to approval by any lienholders, must be transferred to a farm with sufficient tillable cropland to produce the quota, and must be recorded with, and approved by, the county committee.</p> | <p>Same as 1985 Farm Bill, except that any such quota may be leased in the fall or after the normal planting season only if not less than 90% of the basic quota, plus any poundage quota transferred to the farm, has been planted on the farm from which the quota is to be leased.</p> | <p>The 1990 Farm Bill maintains the within-county restriction on lease and transfer of farm peanut quotas, except in peanut producing States having quotas less than 10,000 tons for the preceding year.</p> |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--------------------------|---|--|----------|
| 8.11 Marketing penalties | <p><u>Marketing peanuts in excess of quota:</u> The marketing of any peanuts for domestic edible use in excess of the farm poundage quota for the farm on which the peanuts are produced shall be subject to penalty at a rate equal to 140% of the support price for quota peanuts for the marketing year in which the marketing occurs. The marketing year for peanuts shall be the 12-month period beginning August 1 and ending July 31.</p> <p><u>Marketing additional peanuts:</u> The marketing of any additional peanuts shall be subject to the same penalties unless the peanuts are: placed under loan at the additional loan rate in effect and not redeemed by the producers; marketed through a designated area marketing association; or, marketed under appropriate contracts between handlers and producers.</p> <p>The penalty shall be paid by the person who buys or otherwise acquires the peanuts from the producer, or by the marketing agent. The buyer or agent may deduct the penalty from the price paid to the producer. The county committee is authorized to waive or reduce marketing penalties in case where the basis for the penalties were unintentional or without knowledge of the parties involved. De minimis violations (errors not in excess of 0.001% of any one document) shall not be considered to be a violation.</p> | <p>Same as 1985 Farm Bill, except the penalty for marketing peanuts in excess of quota does not apply to seed peanuts sold by publicly owned agricultural experiment stations.</p> | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--|---|-------------------------|----------|
| 8.12 Use of quota and additional peanuts | <p><u>Quota peanuts:</u> Only quota peanuts may be retained for use as seed or for other uses on a farm. Retention for seed shall be considered as marketings of quota peanuts.</p> <p><u>Additional peanuts:</u> Additional peanuts shall not be retained for use on the farm and shall not be marketed for domestic edible use.</p> <p><u>Seed:</u> Seed for planting of any peanut acreage in the U.S. shall be considered marketed for domestic edible use.</p> | Same as 1985 Farm Bill. | |
| 8.13 Marketing peanuts with excess quantity, grade, or quality | A handler who markets peanuts for edible use which are a larger quantity or are higher in grade or quality than the peanuts acquired by the handler shall be subject to a penalty of 140% of the support price for quota peanuts on the quantity of peanuts in violation. | Same as 1985 Farm Bill. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--|---|---|---|
| 8.14 Handling and disposal of additional peanuts | The Secretary shall require that the handling and disposal of additional peanuts be supervised by agents of the Secretary or by designated area marketing associations. Handlers shall provide appropriate documentation that any additional peanuts have been exported or crushed. The portion of losses of peanuts due to fire, flood, or other conditions beyond the control of the handler that may be credited as a loss of contract additional peanuts, must not be greater than the relationship between the handler's total purchases of contract additional peanuts to the handler's total purchases of peanuts. The obligation of handlers to export or crush additional peanuts shall be reduced by a shrinkage allowance, which shall not be less than 4.5%. Handlers subject to a penalty of 140% of quota loan for violation of requirements. | Same as 1985 Farm Bill, except shrinkage allowance reduced to 4%. | The 1990 Farm Bill reduces the shrinkage allowance from 4.5% to 4%. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---|---|--|--|
| 8.15 Marketing of peanuts owned for controlled by the CCC | Any peanuts owned or controlled by CCC may be made available for domestic edible use so long as doing so does not result in substantially increased costs to the CCC. Additional peanuts received under loan shall be offered for sale for domestic edible use at prices not less than those required to cover all costs incurred with respect to the peanuts plus: (1) not less than 100% of the loan value of quota peanuts if the additional peanuts are sold and paid for during the harvest season on delivery by and with the consent of the producer; (2) not less than 105% of the loan value of quota peanuts if the additional peanuts are sold after delivery by the producer but not later than December 31 of the marketing year; or, (3) not less than 107% of the loan value of quota peanuts if the additional peanuts are sold later than December 31 of the marketing year. | Same as 1985 Farm Bill. | |
| 8.16 Experimental and research programs for peanuts | No such provision. | The Secretary may permit a portion of the poundage quota for peanuts apportioned to any State to be allocated from the State's quota reserve to landgrant institutions or USDA/ARS to be used for experimental and research purposes. The quantity of the quota so allocated shall not exceed the quantity of the quota held by each such institution during 1985, and the total quantity allocated to all such institutions shall not exceed 0.1% of the State's basic quota. | The 1990 Farm Bill adds provision related to use of a portion of poundage quota for peanuts for experimental or research purposes. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---|---|---|---|
| 8.17 Price support program for 1991-1995 crops of peanuts | <p><u>Quota peanuts:</u> The national average quota support rate for quota peanuts shall be the national average quota support rate for the immediately preceding crop, adjusted to reflect any increase in the national cost of peanut production during the preceding marketing year, excluding any change in the cost of land. The national average support rate for quota peanuts shall not exceed the support rate for the previous year by more than 6%. The level of support shall not be reduced by any deductions for inspection, handling, or storage.</p> <p><u>Additional peanuts:</u> The Secretary shall make price support available for additional peanuts at such levels as the Secretary finds appropriate, taking into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils, and the demand for peanuts in foreign markets. The support rate for additional peanuts shall be at such level to ensure no losses by the CCC on the sale or disposal of the peanuts.</p> <p>The Secretary shall announce the support rate for quota and additional peanuts not later than February 15 preceding the concerned marketing year.</p> | <p>Same as 1985 Farm Bill, except increase in national average support price from previous year limited to 5%. The increase in national cost of peanut production during the preceding marketing year shall also exclude the cost of any marketing assessments.</p> | <p>The 1990 Farm Bill reduces the permitted increase in national average support price for peanuts from 6% to 5%. The 1990 Budget Reconciliation Act excludes the cost of any marketing assessments when considering the increase in cost of peanut production between years.</p> |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---|---|--|---|
| 8.18 Warehouse storage loans | In carrying out the price support program for peanuts, the Secretary shall make warehouse loans available in each of the three producing areas to a designated area marketing association of peanut producers. The area marketing association shall be used in the administration of the price support program, with reasonable costs covered by the warehouse loans. | Same as 1985 Farm Bill. | |
| 8.19 Pools for quota and additional peanuts | The Secretary shall require that each area marketing association establish pools and maintain complete records by area and segregation for quota peanuts handled under loan and for additional peanuts placed under loan, except that separate pools shall be established for New Mexico Valencia peanuts, with bright and dark hull Valencia peanuts considered separate types for the purpose of the pools. Any net gains for each pool shall only be distributed to producers in proportion to the value of peanuts placed in the pool by each producer. Any distribution of net gains on additional peanuts shall be first reduced to the extent of any loss by the CCC on quota peanuts placed under loan. | Same as 1985 Farm Bill. | |
| 8.20 Quality improvement | No such provision. | The Secretary shall continue to operate the peanut price support program so as to improve the quality of domestic peanuts. | The 1990 Farm Bill requires the Secretary to continue to operate the peanut program so as to improve the quality of domestic peanuts. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---------------------------|--------------------|--|--|
| 8.21 Marketing assessment | No such provision. | <p><u>In general:</u> The Secretary shall provide for a nonrefundable marketing assessment applicable to each of the 1991-1995 crops. The assessment, payable on a per pound basis, shall be equal to 1 percent of the national average quota or additional peanut support rate per pound.</p> <p><u>First purchasers:</u> The first purchaser of peanuts shall pay the full 1% assessment to the CCC, but shall collect 1/2% of the assessment from the producer, based on the quantity of peanuts acquired from the producer. The "first purchaser" means a person who acquires peanuts from a producer, or from the CCC in the case of peanuts forfeited by a producer.</p> <p><u>Other private marketings:</u> The producer is responsible for the full amount of the assessment in the case of direct marketing to a consumer through a retail or wholesale outlet, or if marketed by the producer outside of the U.S.</p> <p><u>Loan peanuts:</u> In the case of peanuts that are pledged as collateral for a price support loan, 1/2 of the assessment shall be deducted from the loan and 1/2 paid by the first purchaser.</p> <p><u>Penalty:</u> Any person who fails to collect or remit the required reduction, or fails to keep proper records, shall be assessed a penalty equal to the quantity of peanuts involved in the violation, multiplied by the national average quota peanut price support level.</p> | The 1990 Budget Reconciliation Act requires a 1% assessment on the marketing of peanuts. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|-------------------------|---|---|--|
| | TITLE IX -- SUGAR | | |
| 9.1 Loan rate for sugar | <p><u>Cane sugar:</u> The Secretary shall support the price of domestically grown sugarcane through nonrecourse loans at not less than \$0.18/lb. for raw cane sugar.</p> <p><u>Beet sugar:</u> The Secretary shall support the price of domestically grown sugar beets through nonrecourse loans at a fair and reasonable level in relation to the support price for cane.</p> <p>The Secretary may increase the support price for sugarcane and sugar beets from the preceding year based on such factors as changes during the most recent 2 years in the cost of sugar products, the cost of domestic sugar production, and other circumstances that may adversely affect sugar production. If the Secretary does not increase the support price, the Secretary shall report the findings, decision, and supporting data, to both Agriculture Committees.</p> <p>The Secretary shall announce the loan rate to be applicable for a fiscal year as far in advance of the beginning of the fiscal year as is practical.</p> | <p><u>Cane sugar:</u> Same as 1985 Farm Bill.</p> <p><u>Beet sugar:</u> The Secretary shall support the price of domestically grown sugar beets through nonrecourse loans at a loan rate based on the weighted averages of producer returns for sugar beets relative to sugar cane for the most recent 5 years plus fixed marketing expenses for beet producers.</p> <p>Adjustment and announcement of sugar support prices same as 1985 Farm Bill.</p> | <p>The 1990 Farm Bill maintains the \$0.18/lb. support price for sugarcane; but, gives method for setting the support price for sugar beets.</p> |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--|---|--|---|
| 9.2 Length of price support loan for sugar | Sugar price support loans shall not be made available before the beginning of the fiscal year and shall mature before the end of the fiscal year. Regulation provided for a 6-month loan. | <p>Sugar price support loans shall not be made available before the beginning of the fiscal year and shall mature at the earlier of: the end of 9 months; or, the end of the fiscal year.</p> <p>A supplemental nonrecourse loan, in addition to the initial loan, shall be made to producers in areas that harvest sugar beets in the last three months of the fiscal year. The initial loan will be paid by the end of the fiscal year. Supplemental loans: (1) will be available on the first day of the following fiscal year and be made at the same rate as the initial loan; and, (2) will mature in 9 months less the amount of time the initial loan was in effect.</p> | The 1990 Farm Bill allows for 9-month loans, and for supplemental loans past the end of the fiscal year for certain producers of sugar beets. |
| 9.3 Marketing assessments and price support reductions | For each of the 1988 and 1989 crops of sugar beets and sugarcane the Secretary shall reduce program outlays by 1.4 percent. | Effective only for each of the 1991-1995 crops, the first processor of sugarcane or sugar beets shall remit to the CCC a nonrefundable marketing assessment equal to 0.18 cents per pound of raw cane sugar processed from domestically produced sugarcane; or, 0.193 cents per pound of beet sugar processed from domestically produced sugar beets. Any person who fails to collect and remit the appropriate assessment is subject to a penalty equal to the quantity of sugar under violation multiplied by the support rate for the applicable crop of cane or beet sugar. | The 1990 Budget Reconciliation Act requires a marketing assessment paid by the first processor of sugar from cane or beets. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--|--------------------|---|--|
| 9.4 Information reporting for marketing quotas | No such provision. | All cane sugar refiners and sugar beet processors and all manufacturers of crystalline fructose from corn shall furnish the Secretary with monthly reports regarding the person's imports, distribution, and stock levels of sugar or crystalline fructose. Based on this information, the Secretary shall publish a monthly report containing composite data collected from the reports. | The 1990 Farm Bill establishes provisions for marketing allotments for sugar whenever imports are estimated to be below 1.25 million short tons. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---|--------------------|--|----------|
| 9.5 Marketing allotments for sugar and crystalline fructose | No such provision. | <p><u>Sugar estimates:</u> Before the beginning of each of the fiscal years 1992-1996, and no later than the beginning of each of the 2nd, 3rd, and 4th quarters of the fiscal year, the Secretary shall estimate: (1) total consumption of sugar in the customs territory of the U.S.; and, (2) the supply of sugar from carry-in stocks or from domestically produced sugarcane or beets. These estimates are to be used to determine whether marketing allotments will be imposed.</p> <p><u>Sugar allotments:</u> The Secretary shall establish marketing allotments for sugar processed from domestically produced sugarcane and sugar beets to reserve not less than 1.25 million short tons for imports for that year.</p> <p><u>Crystalline fructose allotments:</u> If the Secretary establishes marketing allotments for sugar, there shall also be appropriate allotments for crystalline fructose at a total not to exceed the equivalent of 200,000 tons of sugar, raw value, during the fiscal year.</p> <p>Processors are prohibited from marketing, including pledging as loan collateral, any sugar in excess of the processor's marketing allotment.</p> <p>Crystalline fructose manufacturers may not exceed their marketing allotment. No restrictions or allotments shall be established on the marketings of any liquid fructose produced from corn.</p> | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---|--------------------|--|----------|
| 9.6 Establishment of marketing allotments | No such provision. | Whenever marketing allotments are required, the Secretary shall establish the overall quantity of sugar to be allotted for the fiscal year as estimated sugar consumption minus 1.25 million short tons minus private and CCC carry-in stocks of sugar. The allotment quantity shall be adjusted to the maximum extent practicable to prevent the accumulation of sugar by CCC. The overall allotment quantity shall be allotted to sugar derived from cane and beets based on the historical percentage of marketings for beet and cane sugar, processing and refining capacity, and the ability of processors to market the sugar covered under the allotments. The percentage factors for cane and beet sugar shall be published in the Federal Register, along with the reason for establishing them. The allotment for sugarcane shall be further divided among the 5 cane-producing states in a fair and reasonable manner, considering the average of the highest production years out of the 1985-1989 period. | |
| 9.7 Adjustment of marketing allotments | No such provision. | Based on the quarterly reestimates of sugar consumption and supply, the Secretary shall increase, decrease, or suspend allotments, as appropriate. Each allocation to a processor shall be increased or decreased in the same proportion as the overall percentage change in the allotment. Sugar marketings in excess of any reduced allotment shall be deducted from the next allotment established for the processor. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---|--------------------|---|----------|
| 9.8 Filling marketing allotments | No such provision. | Marketing allotments may only be filled with sugar processed from domestically produced sugarcane and sugar beets. Further, marketing allotments for sugarcane may only be filled from sugarcane produced in the respective State. | |
| 9.9 Allocation of marketing allotments | No such provision. | The Secretary shall allocate each marketing allotment among the affected processors, following hearing and notice, based on consideration of processing capacity, past marketings of sugar, and the ability of each processor to market sugar covered by their allotment. | |
| 9.10 Reassignment of allotment deficits | No such provision. | If the Secretary determines that certain processors will be unable to market their allotment allocation, the deficit allotment may be reassigned to other processors in an equitable and fair manner. Deficits in cane allotments must first be reassigned within the same State, if possible, or to other States or imports. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---|--------------------|--|----------|
| 9.11 Provisions applicable to producers | No such provision. | <p>Whenever allotments are in effect, the Secretary shall obtain assurances from processors that the allotment allocation will be shared equally among producers served by the processor.</p> <p>States that have in excess of 250 sugarcane producers must share allotments proportionately among producers if the Secretary determines that production in the State will exceed the allotment plus normal carryin inventory. Proportionate shares are determined as follows: (1) The Secretary shall establish the State's per-acre yield goal at a level not less than the 5-year average yield in the State; (2) the State's allotment is converted to an acreage allotment using the yield goal; (3) The Secretary shall determine a uniform reduction percentage by dividing the State acreage allotment by the sum of the acreage bases in the State; and, (4) the uniform reduction percentage shall be applied to each producer's acreage base on each farm covered by the State's allotment.</p> <p>Producers who knowingly harvest sugarcane in excess of their proportionate share shall be subject to civil penalties equal to 3 times the market value of sugar at the time of the violation.</p> <p>Producers may transfer production history to other farms, or may reserve production history for up to 3 years if it will not likely be used during the fiscal year.</p> | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---------------------------------|--------------------|---|----------|
| 9.12 Acreage base for sugarcane | No such provision. | Base acreage for sugarcane shall be the average of acreage planted or considered planted for harvest of sugarcane for sugar or seed in each of the past 5 years. Acres producers were unable to harvest due to drought, flood, or other natural condition, shall be considered planted for program purposes. | |
| 9.13 Regulations | No such provision. | The Secretary shall issue such regulations as may be necessary to administer the marketing quotas. Prior to proposing any regulations, the Secretary must consult with representatives of the domestic sugar industry. Each determination issued by the Secretary to establish, adjust, or suspend allotments must be published in the Federal Register, accompanied by a statement of the reasons for the determination. | |
| 9.14 Jurisdiction of courts | No such provision. | The several district courts of the United States are vested with jurisdiction specifically to enforce, and to prevent any person from violating, these regulations. At the request of the Secretary, the U.S. attorneys have the duty to institute proceedings to enforce the regulations. | |
| 9.15 Appeals | No such provision. | Any appeal may be taken by the Secretary from any decision establishing allocations of marketing allotments, by any person adversely affected by any decision. Any such appeal shall be filed within 20 days of the decision complained about. The Secretary shall appoint an administrative law judge to hear the complaint. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--|---|---|--|
| 9.16 Administration | No such provision. | The Secretary may use the services of local committees of sugar beet or sugarcane producers, sugarcane processors, or sugar beet processors, State or county ASCS committees, and the departments and agencies of the U.S. Government, in carrying out the regulations pertaining to marketing allotments. The Secretary shall use the services, facilities, and funds, of the CCC to carry out these activities. | |
| 9.17 Reports on quota allocations to countries importing sugar | Beginning with the 1985/1986 quota year, the President shall not allocate any sugar import quota to any country which is a net importer of sugar unless the appropriate officials of that country verify that they do not import for reexport to the United States any sugar from Cuba. | <p>Effective 90 days after enactment and by August 1 of each year through 1995, the Secretary shall report to the President and Congress on the extent, if any, of sugar imports from Cuba by countries which have certified that they do not import sugar from Cuba.</p> <p>Commencing with the quota year for sugar imports after the 1990-1991 quota year, the President shall report to Congress by January 1: (1) the identity of the countries that are net importers of sugar derived from sugarcane or sugar beets who have a quota for the current year; (2) the identity of such countries who have certified that they do not import for reexport to the United States any sugar produced in Cuba; and, the action taken, if any, by the President with respect to countries reported by the Secretary as net importers of sugar who reexported sugar from Cuba to the United States during the previous quota year.</p> | The 1990 Farm Bill requires an annual report of countries which are net importers of sugar which have import quotas for the United States. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--------------------------------|--|---|---|
| | TITLE X -- HONEY | | |
| 10.1 Honey price support | <p>1986: \$0.64/lb.</p> <p>1987: \$0.63/lb.</p> <p>1988-1990: The loan level shall be 95% of the level established for the preceding crop year, except that such level may not be less than 75% of a 5-year moving average of honey prices, dropping the high and low years.</p> | For each of the 1991-1995 crops, the price of honey shall be supported at not less than \$0.538/lb. | The 1990 Farm Bill freezes the minimum support price for honey at the 1990 level. |
| 10.2 Marketing loan provisions | The Secretary may permit a producer to repay a loan at the lesser of: (1) the loan level; or (2) such level as the Secretary determines will: (a) minimize the number of loan forfeitures; (b) not result in excessive total stocks of honey; (c) reduce Federal Government costs of storing honey; and, (d) maintain the competitiveness of honey in the domestic and export markets. | Same as 1985 Farm Bill. | The 1990 Farm Bill maintains discretionary authority for a honey marketing loan. |
| 10.3 Loan deficiency payments | No such provision. | The Secretary shall make payments available to producers who, although eligible to obtain price support loans, agree to forgo obtaining the loans in return for loan deficiency payments. The payment shall be computed by multiplying the loan payment rate (i.e., the amount by which the loan rate exceeds the loan repayment rate) by the quantity of honey eligible to be placed under loan, but for which the producer forgoes obtaining a loan. The Secretary may make loan deficiency payments in the form of generic commodity certificates. | The 1990 Farm Bill contains mandatory loan deficiency payments for honey. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---|---|---|---|
| 10.4 Pledging adulterated or imported honey as collateral | If the Secretary determines that a person has knowingly pledged adulterated or imported honey as collateral for a loan, that person shall be ineligible for a loan, purchase, or payment for the 3 crop years succeeding the determination. Honey shall be considered "adulterated" if: (1) any substance has been substituted in any part for the honey; (2) the honey contains an unnatural poison or deleterious substance potentially hazardous to health; or, (3) the honey is unhealthy for any other reason. | Same as 1985 Farm Bill. | |
| 10.5 Payment limitations | A producer of honey may not forfeit loans in excess of \$250,000. The amount of gain received by a honey producer by repaying a loan at a rate lower than the loan rate is limited to \$250,000. | <p>The total amount of payments that a person may receive under the honey program may not exceed:</p> <p style="padding-left: 40px;">\$200,000 in 1991, \$175,000 in 1992, \$150,000 in 1993, \$125,000 in each of the 1994 and subsequent crop years.</p> <p>The term "payment" means any marketing loan gain and any loan deficiency payment.</p> <p>The Secretary shall issue regulations defining the term "person." The regulations shall provide for the attribution of payments.</p> | <p>The 1990 Farm Bill introduces a declining payment limitation for honey.</p> <p>Provision for attribution of payments is more restrictive than other payment limitation provisions.</p> |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---|--|--|--|
| 10.6 Marketing assessments and price support reductions | <p>Effective December 23, 1987, the loan and purchase level for honey shall be reduced by:</p> <p style="padding-left: 40px;">\$0.0200/lb. for 1987, \$0.0075/lb. for 1988, \$0.0050/lb. for 1989, and, \$0.0025/lb. for 1990.</p> | <p>Effective only for the 1991-1995 crops of honey, producers and producer-packers of honey shall remit to CCC a nonrefundable marketing assessment on a per pound basis equal to 1 percent of the national price support level. The assessment shall be collected and remitted by the first handler of honey. All persons exempt from the payment of the assessment authorized by the Honey Research, Promotion, and Consumer Information Act, and all imported honey, shall be exempt from payment of the assessment. Persons who fail to collect or remit the assessment, or who fail to keep proper records, shall be liable for a civil penalty determined by multiplying the amount of honey involved in the violation by the support level for the applicable crop.</p> | <p>The 1990 Budget Reconciliation Act imposes a 1 percent marketing assessment on honey.</p> |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--------------------------|---|---|--|
| | TITLE XI -- GENERAL COMMODITY PROVISIONS Subtitle A -- Acreage Base and Yield System | | |
| 11a.1 Definitions | <p><u>Program crop</u>: Includes wheat, corn, grain sorghums, oats, barley, upland cotton, or rice.</p> <p><u>Double cropping</u>: A farming practice, as designated by the Secretary, that has been carried out on a farm during at least 3 of the last 5 crop years.</p> | <p><u>Program crop</u>: Includes wheat, corn, grain sorghums, oats, barley, upland cotton, or rice.</p> <p><u>Oilseed</u>: Includes soybeans, sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, or, if designated by the Secretary, other oilseeds.</p> <p><u>Double cropping</u>: A farming practice, as designated by the Secretary, that has been carried out on a farm during at least 3 of the last 5 crop years.</p> | The 1990 Farm Bill continues to define "program crop" the same as under the 1985 Farm Bill. |
| 11a.2 Farm acreage bases | <p>Farm acreage base for a farm shall be the sum of the crop acreage bases, average acreage planted to soybeans, and average acreage devoted to conserving use in the normal course of farming operations.</p> <p>Producers may designate any portion of farm acreage base (excluding soybean acres) for the crop year as acreage base established for oats. Base is protected for crop for which oats is substituted. Producer would not receive benefits except those for oats on such acres designated as oats base. Neither the crop acreage base nor the farm acreage base may be increased due to such plantings.</p> | No such provision. | The 1990 Farm Bill removes provisions for the establishment and maintenance of farm acreage bases. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--------------------------|--|--|--|
| 11a.3 Crop acreage bases | <p><u>In general:</u> The Secretary shall provide for the establishment and maintenance of crop acreage bases for each program crop, including any program crop produced under an established practice of double cropping. The sum of the crop acreage bases for all program crops produced on any farm for any crop year shall not exceed the farm acreage base, except to the extent that the excess is due to double cropping.</p> <p>Crop acreage base for a program crop shall be the average of the acreage planted and considered planted (P&CP) to such program crop for harvest on the farm in each of the five crop years preceding such crop year.</p> <p><u>Cotton and rice:</u> For cotton and rice only, calculation of crop base excludes all crop years in which P&CP acreage was not established for the farm, but cannot exceed the average P&CP acreage in each of the two immediately preceding years.</p> | <p><u>In general:</u> The crop acreage base for each program crop shall equal a 5-year average of acreage planted and considered planted (P&CP) for harvest on the farm.</p> <p><u>Cotton and rice:</u> The crop acreage base for upland cotton and rice shall equal a 3-year average of acreage P&CP for harvest on the farm, with the following exception: <u>For 1991</u> crops of upland cotton and rice, if the producers did not participate in the 1989 and 1990 production adjustment programs, the crop acreage base for 1991 shall be a 5-year average P&CP, excluding all crop years in which P&CP not established, but not greater than the average P&CP in each of the 2 crop years preceding 1991. <u>For 1992</u> crops of upland cotton and rice, if the producers did not participate in the 1990 and 1991 production adjustment programs, the crop acreage base for 1992 shall be a 5-year average P&CP, excluding all crop years in which P&CP not established, but not greater than the average P&CP in each of the 2 crop years preceding 1992.</p> | <p>The 1990 Farm Bill continues to determine crop acreage bases the same as under the 1985 Act, except for cotton and rice, which are determined on the basis of a 3-year moving average instead of a 5-year moving average, excluding years where cotton or rice were not planted, but not in excess of the average P&CP for the last 2 years. The 1990 Act includes special provisions for the 1991 and 1992 crops of cotton and rice.</p> |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|----------------------------------|--|--|---|
| 11a.4 Acreage considered planted | <p>Acreage considered planted to a program crop shall consist of:</p> <p>(1) any reduced acreage, set-aside acreage, and diverted acreage;</p> <p>(2) any acreage producers were prevented from planting because of drought, flood, or other natural disaster;</p> <p>(3) difference between permitted acreage and planted acreage, if acreage devoted to conserving use or to approved nonprogram crops; and,</p> <p>(4) acreage less than 20 percent of permitted acreage if planted to canola, rapeseed, sunflower, safflower, flaxseed, kenaf, crambe, guayule, milkweed, mung bean, mustard, or meadowfoam; if producers plant at least 50% of their permitted acreage and producers do not receive 0/92 or 50/92 payments.</p> | <p>Acreage considered planted to a program crop shall consist of:</p> <p>(1) any reduced and diverted acreage;</p> <p>(2) any acreage that producers were prevented from planting because of drought, flood, or other natural disaster;</p> <p>(3) acreage equal to the difference between the permitted acreage and planted acreage for a program crop, if the acreage considered planted is devoted to conservation uses or production of permitted commodities under the 0/92 or 50/92 programs;</p> <p>(4) acreage equal to the difference between the permitted acreage and planted acreage for a program crop, if the acreage considered planted is devoted to the production of commodities in accordance with planting flexibility provisions;</p> <p>(5) any acreage the Secretary determines is necessary to be included in establishing a fair and equitable crop acreage base;</p> <p>(6) the crop acreage base for the crop, if producers on the farm forgo receiving any payments for the crop and certify that no acreage on the farm was planted to: (a) the crop; or, (b) any fruit or vegetable crop (including potatoes and dry edible beans) not designated as an industrial or experimental crop by the Secretary, in excess of normal plantings; and,</p> <p>(7) any acreage on the farm for which the crop acreage base was adjusted because of a condition or occurrence beyond the control of the producer.</p> | <p>The 1990 Farm Bill adjusts acreage considered planted to be consistent with the flexibility provisions, and adds additional types of acreage that can be considered planted.</p> |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---|---|--|--|
| 11a.5 Crop rotation and other factors | The Secretary may make adjustments to reflect crop rotation practices and other factors considered fair and equitable in determining a crop acreage base. | Same as 1985 Farm Bill, except the provision is mandatory in the 1990 Act, instead of discretionary, and the 1990 Act requires adjustments necessary to enable producers to meet conservation requirements. | The 1990 Farm Bill changes the "may" authority to a "shall" authority, and requires the Secretary to make adjustments consistent with conservation compliance. |
| 11a.6 Prevented planting | If a county committee determines that a producer was prevented from planting a program crop (or had the crop substantially destroyed after planting but before harvest) because of a natural disaster, the producer may plant any other crop, including any other program crop, on that acreage. Such acreage on which a substitute crop is planted shall be considered planted to the original program crop. | Same as 1985 Farm Bill. | |
| 11a.7 Subsequent crop years (base building) | No such provision. | A producer who is eligible to receive a deficiency payment for any program crop or crop of ELS cotton in any crop year may not use the acreage planted or considered planted to the program crop or ELS cotton to increase any crop acreage base established for the farm in a subsequent crop year. | The 1990 Farm Bill prohibits base building if the producer is eligible to receive a deficiency payment for any program crop or crop of ELS cotton. This provision, in effect, counteracts the impacts of eliminating cross compliance. |
| 11a.8 Adjustment of bases | No such provision. | The county committee may adjust any crop acreage base for any program crop if the crop acreage base would otherwise be adversely affected by a condition or occurrence beyond the control of the producer. | The 1990 Farm Bill allows the county committee to adjust any crop acreage base to alleviate potential adverse conditions. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--------------------------------|--|--------------------|--|
| 11a.9 Optional soybean program | The Secretary shall permit producers to plant up to 25% of their 1990 wheat, feed grain, upland cotton, ELS cotton, or rice permitted acreage to soybeans, sunflower, or safflower if such planting would not result in prices for soybeans less than 110% of previous year's loan rate. If soybean prices are expected to be less than 110%, the Secretary shall reduce the percentage of permitted acreage on the farm that may be planted to the specified oilseeds. Acres planted to soybeans, sunflower, or safflower shall be considered planted to the original program crop, and may not receive program benefits except for soybean and sunflower seed price support loans. | No such provision. | The 1990 Farm Bill expands on the 0/25 oilseed program in the planting flexibility provisions. |
| 11a.10 Base shifts | <p>Secretary may allow producers to increase any crop acreage base by up to 10% of the farm acreage base provided any upward adjustment in acreage base is offset by a reduction in one or more other crop acreage bases.</p> <p>Secretary may allow an increase in a crop acreage base in excess of 10% if the Secretary determines that a short supply or other similar emergency situation exists.</p> | No such provision. | The 1990 Farm Bill removes discretionary authority to allow producers to shift base among program crops. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|-----------------------------|--------------------|---|---|
| 11a.11 Planting flexibility | No such provision. | <p><u>In general:</u> Producers may plant specified commodities, other than the specific program crop, on that program crop's base without suffering a reduction in the crop acreage base.</p> <p><u>Specified commodities:</u> The commodities that may be planted on a crop acreage base are: (1) any program crop; (2) any oilseed; (3) any industrial or experimental crop designated by the Secretary; and, (4) any other crop, except any fruit and vegetable crop (including potatoes and dry edible beans) not designated by the Secretary as: (a) an industrial or experimental crop; or, (b) a crop for which no substantial domestic production or market exists.</p> <p><u>Limitation:</u> The Secretary may prohibit the planting of any specified crop on a crop acreage base. The Secretary shall make a determination in each crop year of the commodities that may not be planted, and shall make available a list of the commodities.</p> | The 1990 Farm Bill allows producers to plant specified crops on their crop acreage base, with base protection but without payments. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---|--------------------|--|---|
| 11a.12 Limitation on acreage for flexibility | No such provision. | <p><u>In general:</u> No more than 25 percent of a crop acreage base may be planted to other specified commodities under the planting flexibility provisions.</p> <p><u>Exception for soybeans:</u> If on January 1 of any calendar year the Secretary estimates that the national average price of soybeans during the following marketing year would be less than 105% of the nonrecourse loan rate for soybeans if soybeans were to be allowed to be planted on up to 25 percent of the crop acreage base, the quantity of crop acreage base that may be planted to soybeans in regards to planting flexibility provisions may not exceed 15% of the crop acreage base.</p> | The 1990 Farm Bill allows producers to plant up to 25% of their crop acreage base to specified crops. An exception is included for soybeans, whereby under certain price conditions, the limit on soybean plantings on program crop base can be reduced to 15%. Flexibility provisions in regards to acreage planted to other crops are defined in terms of crop acreage base instead of permitted acreage, as was the case under the 0/25 oilseed program. |
| 11a.13 Plantings in excess of permitted acreage | No such provision. | Producers of a program crop who are participating in the production adjustment program for that crop shall be allowed to plant that crop in excess the permitted acreage without losing eligibility for loans, purchases, or payments for that crop if: (1) the excess planting does not exceed 25 percent of the crop acreage bases on the farm for other program crops; and, (2) the producer agrees to an equivalent reduction in permitted acreage for the other program crops produced on the farm. | The 1990 Farm Bill allows producers to plant program crops in excess of permitted acreage and still maintain eligibility for program benefits if planted in accordance with flexibility provisions. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|-------------------------|--------------------|---|---|
| 11a.14 Loan eligibility | No such provision. | <p><u>In general:</u> Producers of an original program crop who plant for harvest another program crop on the crop acreage base of the original program crop in accordance with the planting flexibility provisions and who do not participate in the production adjustment program for the other program crop shall be eligible to receive loans, purchases, or loan deficiency payments for such other program crop on the same terms and conditions as are provided to participants in the production adjustment program established for such other program crop.</p> <p><u>Requirements:</u> Producers shall be eligible to receive loans, purchases, or loan deficiency payments if the producers: (1) plant such other program crop within 25% of the crop acreage base established for the original program crop; and, (2) agree to a reduction in the permitted acreage for the original program crop for that crop year.</p> | The flexibility provisions included in the 1990 Farm Bill allow producers to receive loans on crops planted under certain conditions, even if they do not participate in the program for those crops. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|------------------------------------|---|--|--|
| 11a.15 Farm program payment yields | <p><u>In general:</u> Farm program payment yield established as average of the farm program payment yields on the farm for the 1981 through 1985 crop years, excluding the high and low years.</p> <p><u>Additional yield payments:</u> If the farm program payment yield is reduced more than 10% below the farm program payment yield for the 1985 crop year, the Secretary shall make available to producers deficiency payments for the commodity in such amount as the Secretary determines is necessary to provide the same return to producers as if the farm program payment yield had not been reduced more than 10 percent below the 1985 payment yield.</p> <p><u>No crop or yield available:</u> The Secretary may establish a farm program payment yield for a farm if the program crop was not produced on the farm during 1981 through 1985.</p> | <p><u>In general:</u> The farm program payment yield for each of the 1991-1995 crops shall be the farm program payment yield for the 1990 crop year for the farm.</p> <p><u>Additional yield payments:</u> In the case of each of the 1991-1995 crop years, if the farm program payment yield for a farm is reduced more than 10% below such yield for 1985, the Secretary shall make payments available to the producer in such amount as the Secretary determines is necessary to provide the same total return to producers as if such yield had not been reduced more than 10% below the 1985 payment yield. The payments shall be made available no later than the time final deficiency payments are made.</p> <p><u>No crop or yield available:</u> If the crop was not produced on the farm, or if no farm payment yield was established for any of the 1981-1985 crop years (or, as appropriate, the 1986-1990 crop years), the farm program payment yield may be established on the basis of the average farm program payment yield for similar farms in the area.</p> | The 1990 Farm Bill freezes program yields for the 1991-1995 crops at the 1990 level. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--|---|--|---|
| 11a.16 National, State, or county yields | If the Secretary determines the action is necessary, the Secretary may establish national, State, or county program payment yields on the basis of: (1) historical yields, as adjusted to correct for abnormal factors affecting the yields in the historical period; or, (2) the Secretary's estimate of actual yields for the crop year involved if historical yield data is not available. If national, State, or county program payment yields are established, the farm program payment yields shall balance to the national, State, or county program payment yields. | Same as 1985 Farm Bill. | |
| 11a.17 Determination of yields | <p>Beginning with the 1988 and subsequent crop years, the Secretary may: (1) establish the farm program payment yield as provided above; or, (2) establish a farm program payment yield on the basis of the 5-year moving average of actual yields per harvested acre, excluding the high and low years and any year in which the crop was not planted on the farm.</p> <p><u>Prior yields:</u> For purposes of determining actual yields, the farm program payment yield for the 1983-1986 crops, and the actual yield per harvested acre for the 1987 and subsequent crop years shall be used in determining farm program payment yields. The program payment yield for 1986 may not be reduced by more than 10% below that for 1985.</p> | <p><u>Actual yields:</u> With respect to the 1991 and subsequent crop years, the Secretary may: (1) establish the farm program payment yield as provided above; or, (2) establish a farm program payment yield on the basis of the 5-year moving average of actual yields per harvested acre, excluding the high and low years and any year in which the crop was not planted on the farm.</p> <p><u>Prior yields:</u> For purposes of determining actual yields, the farm program payment yield for the 1986 crop year (which may not be reduced by more than 10% below the farm program payment yield for 1985) and the actual yield per harvested acre for the 1987 and subsequent crop years shall be used in determining farm program payment yields.</p> | The 1990 Farm Bill contains similar provisions as the 1985 Farm Bill with respect to determination of yields. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|-----------------------------|---|--|---|
| 11a.18 Assignment of yields | In the case of any farm for which the actual yield per harvested acre for any program crop referred to in the section on determination of yields is not available, the county committee may assign the farm a yield on the basis of actual yields on similar farms in the area. | Same as 1985 Farm Bill. | |
| 11a.19 Actual yield data | No such provision. | The Secretary shall allow producers to provide to county committees actual yield data for each program crop for each farm. The Secretary shall maintain the data for at least 5 years in a manner that will permit the data to be used, if necessary, in the administration of the commodity programs. The Secretary shall provide timely notification to producers of these provisions. | The 1990 Farm Bill requires the Secretary to accept actual yield data from producers, to be maintained for up to 5 years in a manner useful for program administration. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---|---|-------------------------|----------|
| 11a.20 Planting and production history on farms | Each county committee may require any producer who seeks to establish a crop acreage base or farm program payment yield for a farm to provide planting and production history of the farm for each of the preceding 5 crop years. | Same as 1985 Farm Bill. | |
| 11a.21 Appeals | The Secretary shall establish an administrative appeal procedure that provides for an administrative review of determinations made with respect to crop acreage bases and farm program payment yields. | Same as 1985 Farm Bill. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---|--|---|---|
| | TITLE XI -- GENERAL COMMODITY PROVISIONS Subtitle B -- Payment Limitations | | |
| 11b.1 General payment limitation provisions | <p>For each of the 1987-90 crops, the total amount of deficiency payments (excluding emergency compensation ("Findley") payments) and land diversion payments that a person shall be entitled to receive under one or more of the annual programs for wheat, feed grains, upland cotton, ELS cotton, and rice may not exceed <u>\$50,000</u>.</p> <p>For each of the 1987-90 crops, the total amount of payments that a person shall be entitled to receive under one or more of the annual programs for wheat, feed grains, upland cotton, ELS cotton, rice, honey, or other commodities, when combined with deficiency and diversion payments and other specified payments, shall not exceed <u>\$250,000</u>.</p> | <p>Same as 1985 Farm Bill for deficiency and diversion payments.</p> <p>For each of the 1991-1995 crops, the total amount of Findley payments, loan deficiency payments, and marketing loan gains that a person shall be entitled to receive under one or more of the annual programs established for wheat, feed grains, upland cotton, rice, and oilseeds shall not exceed <u>\$75,000</u>. When combined with deficiency and diversion payments and other specified payments, may not exceed <u>\$250,000</u>.</p> | <p>The 1990 Farm Bill maintains the \$50,000 payment limit on deficiency and diversion payments; but, reduces the payment limit for marketing loan gains, loan deficiency, and Findley payment to \$75,000. A person can receive \$125,000 of these five payments from two other entities, for a combined total of \$250,000. CRP, wool and mohair, and honey have separate payment limits.</p> |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---|---|--|--|
| 11b.2 Definition of payments | The term "payments" means: (1) any part of any payment that represent compensation for resource adjustment (excluding land diversion payments) or public access for recreation; (2) any annual disaster payments; (3) any marketing loan gains for wheat, feed grains, upland cotton, rice, or honey; or, any gain realized by a producer from repaying a loan for any other crop below the original loan rate; (4) emergency compensation ("Findley") payments for wheat and feed grains; (5) any loan deficiency payment received for wheat, feed grains, upland cotton, or rice; and, (6) any inventory reduction payment received for wheat, feed grains, upland cotton, or rice. "Payment" shall not include loans or purchases. | Same as 1985 Farm Bill, except: (3) any gain realized by a producer from repaying a loan for a crop of any commodity (other than honey) at a lower level than the original loan level. (5) any loan deficiency payment received for a crop of wheat, feed grains, upland cotton, rice, or oilseed. | The 1990 Farm Bill establishes a separate payment limitation for honey, and includes loan deficiency payments and marketing loan gains for oilseeds in the definition of "payments". |
| 11b.3 Adjustment in payment limitations for adverse impacts | If the Secretary determines that any of the payment limitations will result in a substantial increase in the number or dollar amount of loan forfeitures, will substantially reduce the acreage taken out of production, or will cause the market price for a crop to fall substantially below the effective loan rate, the Secretary shall increase the payment limitation as necessary to eliminate such adverse effect on the program involved. | Same as 1985 Farm Bill. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---|--|--|--|
| 11b.4 Adjustment in reduced acreage due to payment limitation | If the Secretary determines that the total amount of payments that will be earned by any person will be reduced, any acreage limitation requirement for the farm shall be adjusted to such extent and in such manner as the Secretary determines will be fair and reasonable in relation to the amount of the payment reduction. | Same as 1985 Farm Bill. | |
| 11b.5 Definition of "person" | <p>The term "person" means: (1) an individual, including any individual participating as a partner in a general partnership, a participant in a joint venture, a grantor of a revocable trust, or a participant in a similar entity; (2) a corporation, joint stock company, association, limited partnership, charitable organization, or other similar entity, including any such entity or organization participating in the farming operation as in (1) above; and, (3) a State, political subdivision, or government agency.</p> <p>Regulations shall provide that the term "person" does not include any cooperative association of producers.</p> | <p>Similar to 1985 Farm Bill, with the following additions:</p> <p><u>Hybrid seed growers:</u> In determining whether a person growing hybrid seed under contract is actively engaged in farming, the Secretary shall not take into consideration the existence of a hybrid seed contract.</p> | The 1990 Farm Bill requires the Secretary to disregard the existence of hybrid seed contracts when determining whether hybrid seed growers qualify as persons. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--------------------------|---|--|--|
| 11b.6 Irrevocable trusts | The Secretary shall ensure that, in regards to irrevocable trusts and estates, fair and equitable treatment is given to trusts and estates and their beneficiaries. | To be considered a separate person for payment purposes, an irrevocable trust (except those established prior to January 1, 1987) must not allow the grantor to modify, terminate, or have any future contingent, or remainder interest in the trust, or provide for transfer to the remainder beneficiary in less than 20 years. Exceptions are cases where the transfer is contingent on the remainder beneficiary achieving majority or is contingent on the death of the grantor. | The 1990 Farm Bill tightens the requirements allowing an irrevocable trust to be considered a separate person for payment limitations. |
| 11b.7 Married couples | With respect to any married couple, the husband and wife shall be considered to be one person, except that if prior to their marriage, each were separately engaged in unrelated farming operations, each spouse shall be treated as a separate person with respect to the farming operation brought into the marriage by the spouse so long as such operation remains as a separate operation. | The husband and wife shall be considered one person, except: (1) if prior to marriage, each were engaged in unrelated farming operations and each continues to be operated as a separate operation, then they shall be treated as separate persons for payment limitations; and, (2) at the option of the Secretary, spouses who do not hold, directly or indirectly, a substantial beneficial interest in more than one entity may be considered separate persons if spouse meets requirements established to be considered as a separate person. | The 1990 Farm Bill adds the provision that spouses may be considered separate persons if spouses do not hold substantial beneficial interest in more than one entity and met other requirements to be considered separate persons. |
| 11b.8 Tenants | A tenant that rents land for cash (or crop share) and that makes a significant contribution of active personal management but not of personal labor shall be ineligible to receive any payment with respect to such land unless the tenant makes a significant contribution of equipment used in the farming operation. | Same as 1985 Farm Bill. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--|--|-------------------------|----------|
| 11b.9 Change in farming operations to increase the number of persons | The Secretary may not approve (for purposes of application of payment limitations) any change in farming operation that otherwise will increase the number of persons to which limitations apply unless the change is bona fide and substantive. The addition of a family member who is actively engaged in the farming operation shall be considered a bona fide and substantive change in farming operations. | Same as 1985 Farm Bill. | |
| 11b.10 Actions taken in good faith | The Secretary shall establish time limits for the various steps involved with notice, hearing, decision, and the appeals procedure to expedite handling of payment limitation disputes. Actions taken by an individual or other entity in good faith on action or advice of any authorized representative of the Secretary may be accepted as meeting necessary requirements to the extent the Secretary deems it desirable to provide fair and equitable treatment. | Same as 1985 Farm Bill. | |
| 11b.11 Treatment of public lands | Payment limitation provisions shall not apply to land owned by a public school district or land owned by a State that is used to maintain a public school. | Same as 1985 Farm Bill. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---|--|---|--|
| 11b.12 Maximum number of permitted entities | A person who receives farm program payments for a crop may not also hold, directly or indirectly, substantial beneficial interests in more than two entities engaged in farm operations that also receive such payments as separate persons. A person that does not receive payments may not hold, directly or indirectly, substantial beneficial interest in more than three entities that receive such payments as separate persons. | Same as 1985 Farm Bill. | |
| 11b.13 Minimal beneficial interest | A beneficial interest in any entity that is less than 10 percent of all beneficial interests in such entity combined shall not be considered a substantial beneficial interest, unless the Secretary determines on a case-by-case basis, that a smaller percentage should apply. | Minimal beneficial interest set at 0-10%. | The 1990 Farm Bill allows the percent of beneficial interest to be as low as 0% to be classified as minimal. |
| 11b.14 Notification of entities | Each entity receiving payments as a separate person shall notify each individual or other entity that acquires or hold a substantial beneficial interest in it of the payment limitation requirements. Each entity receiving payments shall provide the Secretary the name and social security or taxpayer identification number of each individual entity that holds or acquires a substantial beneficial interest. | Same as 1985 Farm Bill. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|------------------------------------|--|-------------------------|----------|
| 11b.15 Notification of interest | If a person holds substantial beneficial interests in more than the permitted number of entities receiving payments, the person shall notify the Secretary to designate which entities that should be considered as permitted entities for the person for payment limitation purposes. Each remaining entity in which the person holds a substantial beneficial interest shall be subject to reductions in the payments to the entity subject to limitation. Each payment to the entity shall be reduced by the proportion that the person's beneficial interest is to the total beneficial interest for the operation. If the person does not notify the Secretary, all entities in which the person holds substantial beneficial interest shall be subject to reductions as described above. | Same as 1985 Farm Bill. | |
| 11b.16 Actively engaged in farming | To be separately eligible for farm program payments a person must be an individual or entity and actively engaged in farming on the particular operation. | Same as 1985 Farm Bill. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--|--|-------------------------|----------|
| 11b.17 General classes of actively engaged | <p><u>Individuals:</u> Shall be considered to be actively engaged in farming if: (1) the individual makes a significant contribution (based on the total value of the farming operation) of (a) capital, equipment, or land; and (b) personal labor or active personal management; to the farming operation; (2) the individual's share of the profits or losses from the farming operation is commensurate with the individual's contribution to the operation; and, (3) the individual's contributions are at risk.</p> <p><u>Corporations or other entities:</u> Shall be considered as actively engaged in farming if: (1) the entity separately makes a significant contribution of capital, equipment, or land; (2) the stockholders or members collectively make a significant contribution of personal labor or active personal management to the operation; and, (3) the standards related to commensurate shares and contributions at risk are met by the entity.</p> <p><u>Entities making significant contributions:</u> If a general partnership, joint venture, or similar entity separately makes a significant contribution of capital, equipment, or land, and the standards related to commensurate shares and contributions at risk are met by the entity, the partners or members making a significant contribution of personal labor or active personal management shall be considered to be actively engaged in farming.</p> | Same as 1985 Farm Bill. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--|--|-------------------------|----------|
| 11b.18 Special classes of actively engaged | The following persons shall be considered to be actively engaged in farming: (1) a <u>landowner</u> who contributes owned land to the farming operation and receives rent or income on the land based on the land's production or the operation's operating results, and meets the standards related to commensurate shares and contributions at risk [NOTE: A <u>landlord</u> contributing land to the farming operation if the landlord receives cash rent, or a guaranteed crop share, for the use of the land, shall not be considered to be actively engaged in farming.]; (2) an adult <u>family member</u> who makes a significant contribution of active personal management or personal labor to a farming operation in which a majority of members are of the same family, and who meets the commensurate share and contributions at risk standards; and, (3) a <u>sharecropper</u> who makes a significant contribution of personal labor, and meets the commensurate share and contribution at risk standards. | Same as 1985 Farm Bill. | |
| 11b.19 Custom farming operations | A person receiving custom farming services will be considered eligible for payment limitation purposes if such person is actively engaged in farming and satisfies the above general requirements. No other rules with respect to custom farming shall apply. | Same as 1985 Farm Bill. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--|---|--|----------|
| 11b.20 Schemes or devices to avoid payment limitations | If the Secretary determines that any person has adopted a scheme or device to evade payment limitation requirements, such person shall be ineligible to receive farm program payments for the crop year in which the scheme or device was adopted and for the succeeding crop year. | Same as 1985 Farm Bill. | |
| 11b.21 Foreign persons | For each of the 1989 and 1990 crops, any person who is not a citizen or permanent resident of the United States shall be ineligible to receive any type of program payments or price support loans on a farm they own or operate unless they provide land, capital, and a substantial amount of personal labor in the production of crops on the farm. A corporation or other entity shall be considered an ineligible person for program payments or price support loans if more than 10% of the beneficial ownership of the entity is held by persons who are not citizens or permanent residents, unless such persons provide a substantial amount of personal labor in the production of crops on the farm. However, the Secretary may make payments, loans, or other benefits available to the entity in relation to the percentage of ownership made up by U.S. citizens and permanent residents. | Generally, the same as 1985 Farm Bill, but extends restrictions to any listed payment received under a contract executed in 1991-1995. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---|---|---|--|
| 11b.22 Education program | The Secretary shall implement a payment provisions education program for appropriate USDA personnel and county committee members for the purpose of fostering more effective and uniform application of payment limitations. The education program shall be fully implemented, and the training completed, not later than 30 days after the date final payment limitation regulations are issued. | <p>The Secretary shall provide training of appropriate personnel for the purpose of fostering more effective and uniform application of the payment limitation.</p> <p>The State ASCS office shall make the initial determination concerning the application of established payment limitations and restrictions for farm operations consisting of more than 5 persons, subject to review by the Secretary.</p> <p>The Secretary shall carry out the education program through the CCC.</p> | The 1990 Farm Bill continues and clarifies the Secretary's responsibility in providing training to appropriate personnel for the purpose of fostering more effective and uniform application of payment limitation restrictions. |
| 11b.23 Treatment of multiyear program contract payments | No such provision. | In the event of a transfer of ownership of land (or an ownership interest in land) by way of devise or descent, the Secretary may, if the new owner succeeds to the prior owner's conservation reserve, wetland reserve, or environmental easement contract, make payments to the new owner under such contract without regard to the amount of payments received by the new owner under any CRP, WRP, or EEP contract executed prior to such devise or descent. Payments made shall not exceed the amount to which the previous owner was entitled to receive under the terms of the contract at the time of the death of the prior owner. | The 1990 Farm Bill allows the Secretary to continue CRP, WRP, or EEP payments to new owners who acquire land by way of devise or descent. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|-----------------------------------|--|--|---|
| | TITLE XI -- GENERAL COMMODITY PROVISIONS Subtitle C -- Provisions Related to Agricultural Act of 1949 | | |
| 11c.1 Advance deficiency payments | <p><u>In general:</u> If the Secretary establishes an acreage limitation program for any of the 1988-1990 crops of wheat, feed grains, upland cotton, or rice and determines that deficiency payments will likely be made for the crop, the Secretary shall make advance deficiency payments available to producers as soon as practicable after sign-up in an amount equal to 40%-50% of the projected deficiency payments for wheat and feed grains and 30%-50% of the projected deficiency payments for upland cotton and rice.</p> <p><u>Terms and conditions:</u> Advance deficiency payments may be made in the form of: (1) cash; (2) commodities owned by CCC and generic commodity certificates redeemable for commodities owned by CCC; or, any combination of the two. No more than 50% of the advance payment may be made in commodities or certificates. If payments are made under option (2), producers may choose whether they prefer commodities or certificates. Certificates shall be redeemable up to 3 years after issuance, and CCC shall pay storage costs for a commodity until the certificate is redeemed.</p> | Same as 1985 Farm Bill, except authorized for 1991-1995 crops. | The 1990 Farm Bill continues to authorize advance payments under the same terms and conditions as under the 1985 Farm Bill. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--|---|-------------------------|----------|
| 11c.2 Repayment of advance deficiency payments | If the final deficiency payment is less than the advance (including cases where the final payment is zero) producers shall repay the excess advance payment, due at the end of the marketing year for which the advance payment applies. Also, if a producer who receives an advance payment fails to comply with the terms and conditions of the acreage limitation program, the total amount of the advance shall be repaid immediately, plus interest. | Same as 1985 Farm Bill. | |
| 11c.3 Land diversion payments | If the Secretary makes land diversion payments to producers of the 1991-1995 crops of wheat, feed grains, upland cotton, or rice, the Secretary may make at least 50% of such payments available as soon as possible after sign-up. | Same as 1985 Farm Bill. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--|--------------------|--|---|
| 11c.4 Repayment of advance payments for the 1988 or 1989 crops | No such provision. | <p><u>In general:</u> Effective only for producers who are suffering financial hardship, as determined by the Secretary, and who received advance deficiency payments for the 1988 or 1989 crop, the Secretary: (1) shall not charge interest for any delinquent refund in excess of the prevailing rates for operating loans made by Farm Credit System institutions; (2) shall not withhold more than 1/3 of the farm program payments otherwise due to the producers in each of the next 3 years as a result of the delinquency; and, (3) shall permit the producers to make the refund in three equal installments during each of the 1990, 1991, and 1992 crop years, if the producers enter into an agreement to obtain multiperil crop insurance for each of those crop years consistent with the provisions of the Disaster Assistance Act of 1989.</p> <p><u>Application:</u> These repayments shall apply to producers if each of the following conditions hold: (1) they received an advance deficiency payment for the 1988 or 1989 crops; (2) their refund due is at least \$1,500; (3) they reside either in a county or a contiguous county where the Secretary has found that farming, ranching, or aquaculture operations have suffered at least a 30% reduction in production during two of the three crop years 1988, 1989, and 1990; and, (4) their harvest of the 1988 or 1989 crops was less than 65% of their farm program payment yield.</p> | The 1990 Farm Bill establishes specific terms and conditions related to repayment of advance deficiency payments for 1988 or 1989 crops (primarily barley) by producers determined to be suffering a financial hardship by the Secretary. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|------------------------------|--|---|---|
| 11c.5 Commodity certificates | <p>In making in-kind payments under any of the annual programs for wheat, feed grains, upland cotton, or rice (other than negotiable marketing certificates for upland cotton or rice), the Secretary may:</p> <ul style="list-style-type: none"> (1) acquire and use like commodities that have been pledged to CCC as security for price support or FOR loans; (2) use other like commodities owned by CCC. <p>The Secretary may make in-kind payments:</p> <ul style="list-style-type: none"> (1) by delivery of the commodity to the producer at a warehouse or similar facility; (2) by the transfer of negotiable warehouse receipts; (3) by the issuance of negotiable certificates which CCC shall redeem for a commodity; or (4) by such other methods as the Secretary determines appropriate. | <p>Same as the 1985 Farm Bill, except for the addition of the following provisions.</p> <p>(1) The Secretary shall pay interest on the cash redemption of a commodity certificate if the producer holds the certificate for at least 150 days. This provision shall not apply to commodity certificates issued in connection with the export enhancement or the export marketing promotion programs.</p> <p>(2) A subsequent holder of a commodity certificate shall be allowed to exchange the expired certificate under the same rules that apply to an original holder of the certificate. However, such an exchange shall only apply for 180 days following enactment and no person may redeem more than \$1,000 worth of expired certificates. No person shall receive a payment for an expired certificate in an amount greater than the price paid for the certificate by the person, or if the certificate was purchased after January 1, 1990.</p> | <p>The 1990 Farm Bill requires the Secretary to pay interest on cash redemption of certificates if held a specified period, and allows subsequent holders to redeem certificates for cash under limited conditions.</p> |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---|--|--|--|
| 11c.6 General terms of the farmer-owned reserve | <p>The Secretary shall formulate and administer a farmer-owned reserve (FOR) under which producers of wheat and feed grains will be able to store their commodities whenever the commodities are in abundant supply, extend the time period for the orderly marketing of the commodities, and provide for adequate carryover stocks to ensure reliable supplies. In carrying out this program, the Secretary shall provide for:</p> <p>(1) original or extended price support loans for wheat and feed grains, under conditions designed encourage producers to store grain for extended periods to promote orderly marketing of grain during periods of abundant supply, at a loan rate not less than the current level;</p> <p>(2) repayment of the extended loans in not less than 3 years (36 months), with extensions as warranted by market conditions;</p> <p>(3) payments to producers for storage and interest charges under specified conditions; and,</p> <p>(4) assurance that producers are afforded a fair and equitable opportunity to participate in the program, taking into account regional differences in the time of harvest.</p> | <p>The Secretary shall formulate and administer a farmer-owned reserve (FOR) under which producers of wheat and feed grains will be able to store their commodities whenever the commodities are in abundant supply, extend the time period for the orderly marketing of the commodities, and provide for adequate carryover stocks to ensure reliable supplies. In carrying out this program, the Secretary shall provide for:</p> <p>(1) extended price support loans for wheat and feed grains, made available only after the expiration of the original 9-month price support loan, at a loan rate not less than that for the original loan;</p> <p>(2) repayment of the extended price support loan 27 months from the date on which the original loan expired unless, at the Secretary's discretion, the loan is extended for one 6-month period;</p> <p>(3) an interest rate and storage payment specified by provision; and,</p> <p>(4) assurance that producers are afforded a fair and equitable opportunity to participate in the program, taking into account regional differences in the time of harvest.</p> | <p>The 1990 Farm Bill requires FOR loans to be made only after expiration of the original 9-month loan (i.e., no direct entry), and specifies a potentially shorter contract period.</p> |
| 11c.7 Producer repayment of FOR loans | <p>Producers may repay the extended loan prior to contract maturity date only if the market price for the commodity is equal to or greater than the higher of 140% of the nonrecourse loan rate, or the target price. The Secretary may require repayment prior to maturity in emergency conditions.</p> | <p>Producers may repay the extended loan at any time during the contract period. The Secretary may require repayment prior to maturity if the Secretary determines that an emergency exists that requires the commodities under loan to be available to meet urgent domestic and international needs.</p> | <p>The 1990 Farm Bill allows producers to repay their extended loan at any time prior to the end of the contract period without regard to price triggers.</p> |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--------------------------------------|---|---|---|
| 11c.8 Interest charges on FOR loans | The rate of interest charged participants shall not be less than the rate which the U.S. Treasury charges the CCC, except that the Secretary may waive or adjust the interest as appropriate for program administration. The Secretary may increase interest at appropriate amounts and intervals to encourage orderly marketing of grain when market prices exceed reserve trigger release levels. | The Secretary may charge interest on FOR loans whenever the price of wheat or feed grains is greater than or equal to 105% of the current target price for the crop. If interest is levied, it may be charged for up to 90 days after the last day on which the price was \geq 105% of the target price. The interest rate may not be less than the rate which the U.S. Treasury charges the CCC, except that the Secretary may waive or adjust the interest as appropriate for program administration. | The 1990 Farm Bill would not allow interest charges for extended loans except for periods of relatively high market prices. |
| 11c.9 Storage payments for FOR loans | The Secretary shall provide storage payments to producers, payable in advance, in such amounts and under such conditions as the Secretary determines appropriate to encourage participation in the FOR. | The Secretary shall provide storage payments to producers, payable at the end of each quarter, in such amounts and under such conditions as the Secretary determines appropriate to encourage participation in the FOR. The Secretary shall cease making storage payments whenever the price of wheat or feed grains \geq 95% of the current target price and for any 90-day period immediately following the last day on which the price was \geq 95% the price. Storage payments on FOR loans are subject to provisions related to comparability of storage payments. | The 1990 Farm Bill establishes less restrictive conditions whereby storage payments may cease. Under the 1985 Farm Bill, storage payments would cease if market prices exceeded the release price (higher of 140% of the loan rate, or the target price). |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments | | | | | | | | | | | | |
|---------------------------------------|--|----------------|-----------------------|-------|------------------|-------------|------------------|--|-------------|-----------------------|-------|------------------|-------------|------------------|---|
| 11c.10 Quantity of commodities in FOR | <p>The upper limit on the total quantity of wheat and feed grains shall not exceed:</p> <table><tr><td><u>Crop</u></td><td><u>Maximum in FOR</u></td></tr><tr><td>wheat</td><td>30% of total use</td></tr><tr><td>feed grains</td><td>15% of total use</td></tr></table> <p>The Secretary may establish upper limits at up to 110% of the above levels if determined to be necessary to carry out the program.</p> <p>Whenever the total quantity of wheat (feed grains) in the FOR is less than 300 million bushels (450 million bushels), and the market price does not exceed 140% of the nonrecourse loan rate, the Secretary shall encourage participation by offering higher storage payments, waiver of interest, or higher loan levels.</p> <p>The Secretary shall announce the terms and conditions of the program as far in advance of making loans as practicable. The announcement shall include the maximum quantities determined appropriate by the Secretary.</p> | <u>Crop</u> | <u>Maximum in FOR</u> | wheat | 30% of total use | feed grains | 15% of total use | <p>The Secretary may establish maximum quantities that may receive loans and storage payments under the FOR as follows:</p> <table><tr><td><u>Crop</u></td><td><u>Maximum in FOR</u></td></tr><tr><td>wheat</td><td>≥300<450 mil bu.</td></tr><tr><td>feed grains</td><td>≥600<900 mil bu.</td></tr></table> <p>The Secretary shall announce the terms and conditions of the program by <u>December 15</u> of the year in which the crop was harvested for wheat; and, <u>March 15</u> of the year after the crop was harvested for feed grains. The announcement shall include the maximum quantities determined appropriate by the Secretary.</p> <p><u>Discretionary entry:</u> The Secretary may make extended loans available to producers of wheat and feed grains if: (1) the Secretary determines that the average market price for wheat and feed grains for the 90-day period prior to the announcement deadline is less than 120% of the current loan rate for the crop; or, (2) as of the announcement deadline, the Secretary estimates that the stocks/use ratio on the last day of the current marketing year will be more than 37.5% for wheat, and more than 22.5% for corn.</p> <p><u>Mandatory entry:</u> The Secretary shall make extended loans available if <u>both</u> of the conditions described above under discretionary entry are met for wheat and feed grains, respectively.</p> | <u>Crop</u> | <u>Maximum in FOR</u> | wheat | ≥300<450 mil bu. | feed grains | ≥600<900 mil bu. | <p>The 1990 Farm Bill establishes a range for the maximum quantity of wheat and feed grains in the reserve. No minimum is established. Conditions are set forth whereby the Secretary either has the option, or is required, to allow entry into the reserve. Specific dates for announcing the reserve program are included.</p> |
| <u>Crop</u> | <u>Maximum in FOR</u> | | | | | | | | | | | | | | |
| wheat | 30% of total use | | | | | | | | | | | | | | |
| feed grains | 15% of total use | | | | | | | | | | | | | | |
| <u>Crop</u> | <u>Maximum in FOR</u> | | | | | | | | | | | | | | |
| wheat | ≥300<450 mil bu. | | | | | | | | | | | | | | |
| feed grains | ≥600<900 mil bu. | | | | | | | | | | | | | | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--|---|-------------------------|---|
| 11c.11 Miscellaneous provisions of the FOR | <p><u>Reconcentration of grain:</u> The Secretary may, with concurrence of the owner, reconcentrate all grain stored in commercial warehouses at such points as the Secretary considers to be in the public interest, taking into account such factors as transportation and normal marketing patterns. The Secretary shall permit rotation of stocks and facilitate maintenance of quality to ensure that the holding producer or warehouseman shall, at all times, have available for delivery at the designated place of storage both the quantity and quality of grain covered by the storage agreement.</p> <p><u>Management of grain:</u> Whenever grain is stored in the FOR, the Secretary may buy and sell at an equivalent price substantially equivalent quantities of grain in different locations to the extent needed to properly handle, rotate, distribute, and locate commodities that the CCC owns and controls. Purchases to offset sales shall be made within 2 market days, with a daily list made available of all such transactions.</p> <p><u>Use of CCC:</u> The Secretary shall use the CCC, to the extent feasible, to fulfill the purpose of the FOR. The Secretary shall also use the usual and customary channels, facilities, and arrangements of trade and commerce to the maximum extent possible.</p> | Same as 1985 Farm Bill. | The FOR provisions of the 1990 Farm Bill shall become effective December 1, 1990. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--|---|--|---|
| 11c.12 Use of commodity certificates regarding the FOR | For the 1988 marketing year only, if a producer has substituted purchased or other commodities for the commodities originally pledged as collateral for an FOR loan, the producer may repay the loan using a generic certificate that may be exchanged for commodities owned by the CCC, if the substitute commodities have been pledged as loan collateral and redeemed only within the same county. | Basically, same as 1985 Farm Bill, except the Secretary has the discretion to allow the exchange of certificates for substituted collateral. | |
| 11c.13 Comparability of storage payments | No such provision. | In making storage payments to producers under the FOR provisions and to commercial warehousemen under the CCC Charter Act provisions, the CCC and the Secretary shall, to the extent practicable, ensure that the rates of the storage payments made to producers are equivalent to average rates paid for commercial storage, taking into account the current demand for storage, efficiency, location, regulatory compliance costs, bonding requirements, and impact of user fees as determined by the Secretary. The rates shall be established at such a level that will result in no increase in current or projected combined outlays of the CCC for storage payments to both producers and commercial warehouses. | The 1990 Farm Bill requires the Secretary to attempt to equilibrate storage payments offered to producers and commercial warehousemen, subject to specified conditions. |
| 11c.14 Supplemental set-aside and acreage limitation authority | The Secretary may announce, provide for, and modify an acreage limitation program for each of the 1986-1990 crops of wheat and feed grains if the Secretary determines that such action is in the public interest as a result of export restrictions imposed by the President or other member of the executive branch. | Same as 1985 Farm Bill. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--|--|-------------------------|----------|
| 11c.15 Disaster payments for peanuts, soybeans, sugar beets, and sugarcane | <p><u>Prevented planting:</u> The Secretary may make prevent planting disaster payments to producers who were prevented from planting peanuts, soybeans, sugar beets, sugarcane, or other nonconserving crops because of adverse weather or other condition beyond their control. The payment is determined by multiplying the number of affected acres by 75% of the farm program payment yield by 50% of the loan and purchase level for the crop.</p> <p><u>Reduced yields:</u> If the Secretary determines that, because of adverse weather or other conditions beyond the producer's control, the total quantity of peanuts, soybeans, sugar beets or sugarcane that producers are able to harvest is less than 60% of the farm's program payment yield multiplied by the acreage planted to the crop, the Secretary may make a reduced yield disaster payment to the producers at a rate equal to 50% of the loan and purchase level for the crop for the deficiency in production below 60% for the crop.</p> <p><u>Adjustments:</u> The Secretary may adjust the prevented planting and reduced yield disaster payments on an individual farm to assure the equitable allotment of payments among producers, taking into account other forms of Federal disaster assistance received by the producers.</p> <p><u>Appropriations:</u> Payments are subject to appropriation of funds.</p> | Same as 1985 Farm Bill. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|-----------------------------------|--|--|---|
| 11c.16 Increase in support levels | Price support at a level in excess of the maximum otherwise prescribed if the Secretary determines, after public hearing, that increased support levels are necessary to prevent or alleviate a shortage in the supply of any agricultural commodity essential to the national welfare or to increase or maintain production in the interest of national security. | Same as 1985 Farm Bill, except the following provision is added: Effective only for the 1991-1995 crops of wheat, feed grains, upland cotton, and rice, the Secretary may annually adjust the target price for each crop to reflect any change during the last calendar year ending before the beginning of each such crop year in the index of prices paid by farmers for production items, interest, taxes, and wage rates. | The 1990 Farm Bill adds a provision to allow discretionary authority to adjust target prices in accordance with the change in the index of prices paid by farmers for production items, interest, taxes, and wage rates (i.e., the parity index). |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--------------------------------------|---|--|---|
| 11c.17 Adjustments of support prices | <p><u>In general:</u> The Secretary may make appropriate adjustments in the support price for any commodity (excluding cotton) for differences in grade, type, quality, location and other factors. To the extent practicable, such adjustments shall be made in such a manner that average support prices for the commodity will be equal to the level of support provided for under this Act.</p> <p><u>Adjustment for cotton:</u> The Secretary may make appropriate adjustments in the support price for cotton for differences in quality factors and location. Beginning in 1991, the quality differences for the upland cotton loan program shall be established giving equal weight to: (1) loan differences for the preceding crop, and (2) market differences in the designated U.S. spot markets.</p> <p><u>Limitation for wheat and feed grains:</u> For each of the 1988-1990 crops of wheat and feed grains, no adjustment in the loan rate applicable to a particular region, State, or county for the purpose of reflecting transportation differentials may increase or decrease the level established for the previous year by more than the percentage change in the national average loan <u>plus or minus 2 percent</u>.</p> | <p>Same as 1985 Farm Bill, except the for each of the 1991-1995 crops of wheat and feed grains, no adjustment in the loan rate applicable to a particular region, State, or county for the purpose of reflecting transportation differentials may increase or decrease the level established for the previous year by more than the percentage change in the national average loan <u>plus or minus 3 percent</u>.</p> | <p>The 1990 Farm Bill allows for a larger percentage change in county loan rates from year to year (change in national average loan rate, plus or minus 3%, instead of 2%).</p> |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments | | | | | | | | | | | | | | | | |
|---------------------------------------|--------------------|--|----------|------|-------|--------------|-------------|--------------------|---------------|------------------|------------|------------------|------|------------------|----------|---------------|-------|------------------|--|
| 11c.18 Program options for 1996 crops | | <p>The Secretary may offer an option to producers of the 1996 crop of wheat, feed grains, upland cotton, ELS cotton, rice, or oilseeds and to dairy producers for the 1996 calendar year to participate in commodity price support, production adjustment, and payment programs. The Secretary may offer such programs based on the terms and conditions provided for the 1991-1995 crops. Any target price or loan rate made available shall be the same as that for the 1995 crops, or 1995 calendar year for dairy. The Secretary may offer such options for the 1996 crops if the Secretary has not made final program announcements for the 1996 crops before:</p> <table><tr><th>Crop</th><th>Date</th></tr><tr><td>wheat</td><td>June 1, 1995</td></tr><tr><td>feed grains</td><td>September 30, 1995</td></tr><tr><td>upland cotton</td><td>November 1, 1995</td></tr><tr><td>ELS cotton</td><td>December 1, 1995</td></tr><tr><td>rice</td><td>January 31, 1995</td></tr><tr><td>oilseeds</td><td>July 15, 1995</td></tr><tr><td>dairy</td><td>November 1, 1995</td></tr></table> <p>Producers may not participate in such programs unless a subsequent law has been enacted that provides for loans and purchases for the 1996 crops, or for dairy for the 1996 calendar year.</p> | Crop | Date | wheat | June 1, 1995 | feed grains | September 30, 1995 | upland cotton | November 1, 1995 | ELS cotton | December 1, 1995 | rice | January 31, 1995 | oilseeds | July 15, 1995 | dairy | November 1, 1995 | |
| Crop | Date | | | | | | | | | | | | | | | | | | |
| wheat | June 1, 1995 | | | | | | | | | | | | | | | | | | |
| feed grains | September 30, 1995 | | | | | | | | | | | | | | | | | | |
| upland cotton | November 1, 1995 | | | | | | | | | | | | | | | | | | |
| ELS cotton | December 1, 1995 | | | | | | | | | | | | | | | | | | |
| rice | January 31, 1995 | | | | | | | | | | | | | | | | | | |
| oilseeds | July 15, 1995 | | | | | | | | | | | | | | | | | | |
| dairy | November 1, 1995 | | | | | | | | | | | | | | | | | | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|-------------------------------------|---|---|---|
| 11c.19 CCC sales price restrictions | <p><u>In general:</u> Except as otherwise provided, CCC shall not sell any of its stocks of wheat, corn, grain sorghum, barley, oats, and rye at less than 115% of the lower of: (1) the current national average price support loan rate for the commodity adjusted for the current market differentials reflecting grade, quality, location, reasonable carrying charges, and other appropriate factors; or, (2) the loan repayment level.</p> <p><u>ELS cotton:</u> CCC may sell for unrestricted use at such price as determined will maintain and expand export and domestic markets.</p> <p><u>Oilseeds:</u> CCC shall not sell oilseeds at less than 105% of the current national average price support loan rate, adjusted for market differentials.</p> <p><u>Wheat and feed grains:</u> Whenever the FOR is in effect, CCC may not sell any of its stocks of wheat and feed grains at less than 110% of the then current FOR release level (i.e., higher of 140% of loan rate, or target price).</p> <p><u>Upland cotton:</u> CCC shall sell upland cotton for unrestricted use at the same price CCC sells upland cotton for export, but in no event at less than the amount provided for in the general provisions above.</p> | <p><u>In general:</u> Except as otherwise provided, CCC shall not sell any basic agricultural commodity or storable nonbasic commodity at less than 115% of the lower of: (1) the current national average price support loan rate for the commodity adjusted for the current market differentials reflecting grade, quality, location, reasonable carrying charges, and other appropriate factors; or, (2) the loan repayment level.</p> <p><u>ELS cotton:</u> Same as 1985 Farm Bill.</p> <p><u>Oilseeds:</u> CCC shall not sell oilseeds at less than the lower of: (1) 105% of the current national average price support loan rate, adjusted for market differentials; or, 115% of the loan repayment level.</p> <p><u>Wheat and feed grains:</u> Whenever the FOR is in effect, CCC may not sell any of its stocks of wheat and feed grains at less than 150% of the then current loan rate.</p> <p><u>Upland cotton:</u> Same as 1985 Farm Bill.</p> | <p>The 1990 Farm Bill makes minor changes in CCC sales provisions, especially regarding marketing loans for oilseeds. It also simplifies the legislative language by removing many outdated provisions.</p> |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--|---|-------------------------|----------|
| 11c.20 Nonapplicability of CCC sales price restrictions | The above CCC sales price restrictions shall not apply to: (1) sales for new or byproduct uses; (2) sales of peanuts and oilseeds for the extraction of oil; (3) sales for seed or feed if the sales will not substantially impair any price support program; (4) sales of commodities that have substantially deteriorated, or for which there is a danger of deterioration, in quality; (5) sales for the purpose of establishing claims arising out of contract or against persons who have committed fraud, misrepresentation, or other wrongful acts; (6) sales for export (excluding sales of upland cotton for export); (7) sales of wool; and, (8) sales for other than primary uses. | Same as 1985 Farm Bill. | |
| 11c.21 CCC sales price restrictions related to disaster, distress, and emergency livestock areas | CCC may make available any farm commodity or product owned by CCC for use in: (1) relieving distress in any area in the United States declared by the President to be an acute distress area because of unemployment or other economic cause; or, any major disaster determined by the President to warrant Federal assistance; and, (2) donate or sell commodities in accordance with emergency livestock assistance programs. Except on a reimbursable basis, CCC shall not bear any costs beyond the cost of storage, handling, and transportation. | Same as 1985 Farm Bill. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---|--|--|--|
| 11c.22 CCC sales price restrictions related to efficient operations | <p>CCC sales price restrictions shall not apply to sales of commodities which are sold in the interest of effective and efficient operations of the CCC because of small quantities involved, or because of age, location, or questionable continued storability.</p> <p>Such sales shall be offset by the purchases of commodities determined necessary to prevent adverse effects on price support programs or unduly affecting market prices. The price CCC pays for offsetting purchases shall not exceed the minimum sales price for unrestricted use for unrestricted use.</p> <p>Subject to sales price restrictions, the Secretary may sell any basic or storable nonbasic commodity on a competitive bid basis, if determined appropriate by the Secretary.</p> | Same as 1985 Farm Bill. | |
| 11c.23 CCC sales price restrictions related to sales for export | Sales for export shall include: (1) sales made on condition that the identical commodities sold be exported; and, (2) sales made on condition that commodities of the same kind and of comparable value or quality be exported, either in raw or processed form. | Same as 1985 Farm Bill. | |
| 11c.24 General producer appeals process | Not specified in law. | Any participant may appeal an adverse determination as follows: county committee determinations appealed to State committee; State committee determinations appealed to the National Appeals Division; determinations by any other employee or agent of ASCS or CCC may appeal to the National Appeals Division. | The 1990 Farm Bill formalizes existing appeals procedures, and establishes a more independent National Appeals Division to make determinations regarding producer appeals. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--|-----------------------|---|----------|
| 11c.25 National Appeals Division | Not specified in law. | The Secretary shall establish a National Appeals Division (NAD) within ASCS, consisting of a director, hearing officers, and other necessary administrative personnel, all of whom shall be employees of USDA and have no other duties other than hearing and determining formal appeals. Hearing officers shall hear each appeal. The director of NAD has broad powers to have access to all necessary records, audits, etc., and to subpoena witnesses or documents. All hearing officers within NAD shall report to the principal officers within the division and shall not be under the direction or control or receive administrative support from officers other than NAD. | |
| 11c.26 General procedure for hearings of appeals | Not specified in law. | Hearings are held at a time and place designated by the NAD. Participants shall be advised of the issues involved and be given a full opportunity to present facts and information relevant to the matter at issue. The hearing officer may exclude irrelevant information. The hearing must be recorded verbatim and a transcript of the hearing made available, along with copies of all documents and evidence submitted. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---|---|--|---|
| 11c.27 Procedure for review of decisions | Not specified in law. | The director of NAD shall make all determinations with respect to appeals submitted to the division, based on the certified record received from the hearing officer. The director of NAD may order further proceedings. Determinations of the director shall be final, conclusive, and binding on USDA, CCC, and any agency thereof. Final decisions of USDA are reviewable by a US court of competent jurisdiction. | |
| 11c.28 Delegation of authority for appeals | Not specified in law. | Nothing shall preclude the Secretary, Administrator of ASCS, or the Executive Vice President of CCC from making a determination or reversing any determination made by a State or county committee or by the director of NAD. | |
| 11c.29 Decisions of State and county committees | Not specified in law. | Decisions of State or county committees, unless otherwise appealed, shall be final within 90 days, and no action shall be taken to recover amounts disbursed in error. | |
| 11c.30 Effective date for appeals procedure | Not specified in law. | Procedures shall not apply to any appeal or proceeding underway prior to enactment of this Act. | |
| 11c.31 Good faith reliance | Performance rendered in good faith in reliance upon action or advice of an authorized representative of the Secretary may be accepted as meeting the requirements of any program under which price support is extended or payments are made to farmers, and price support may be extended or payment may be made therefor in accordance with such action or advice to the extent the Secretary deems it desirable in order to provide fair and equitable treatment. | The Secretary may make price support or other payments available to farmers who have, in attempting to comply with programs, taken actions in good faith in reliance on the advice of an authorized representative of the Secretary. The Secretary may provide such support to the extent such farmer has been injured by the good faith reliance, and may require the farmer to take necessary action designed to remedy any failure to comply. | The 1990 Farm Bill clarifies existing authority in light of recent U.S. Supreme Court case. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---|---|---|--|
| | TITLE XI -- GENERAL COMMODITY PROVISIONS Subtitle D -- Miscellaneous Commodity Provisions | | |
| 11d.1 Food Security Wheat Reserve | The Secretary shall establish a Food Security Wheat Reserve with 4 million metric tons of wheat, to be allocated for purposes of emergency food donations. | Same as 1985 Farm, bill except that within 18 months after release of stocks from the reserve, the Secretary shall replenish the reserve: (1) through purchases to the extent of available appropriations; or, (2) to the extent appropriations are not available, by designating an equivalent quantity of wheat from uncommitted CCC stocks, except to the extent the Secretary reports to Congress that there are not sufficient uncommitted CCC stocks available. | The 1990 Farm Bill specifies a procedure and a time frame to replenish the FSWR. |
| 11d.2 National Agricultural Cost of Production Standards Review Board | Membership of the Board shall consist of seven members who are engaged in the commercial production of one or more of the various major agricultural commodities produced in the United States. | Membership of the Board shall consist of seven members who, individually or as a group, are engaged in the commercial production of each of the program crops and in one or more of the other various major agricultural commodities produced in the United States. | The 1990 Farm Bill modifies the membership requirements of the Board to focus more on program crops. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|------------------------------|---|---|--|
| 11d.3 Assignment of payments | A payment which may be made to a farmer may be assigned, without discount, by him in writing as security for cash or advances to finance making a crop, handling or marketing an agricultural commodity, or performing a conservation practice. Such assignment shall be signed by the farmer and witnessed by a member of the county committee or by an employee of such committee, or a bonded officer of a lending institution. Such assignment shall be filed with the county committee, and shall not be made to pay or secure any preexisting indebtedness. These provisions shall not authorize any suit against or impose any liability on the Secretary or other agent of the Federal government if payment is made to the producer without regard to the existence of any such assignment. The Secretary shall prescribe the necessary regulations to carry out these provisions. | A payment that may be made to a producer may be assigned only in accordance with regulations issued by the Secretary. These provisions shall not authorize any suit against or impose any liability on the Secretary or other agent of the Federal government if payment is made to the producer without regard to the existence of any such assignment. The Secretary shall prescribe the necessary regulations to carry out these provisions. | The 1990 Farm Bill replaces specific language in the Soil Conservation and Domestic Allotment Act regarding terms and conditions of assignment of payments with a more general statement that assignments may be made only in accordance with regulations issued by the Secretary. |
| 11d.4 Financial impact study | No such provision. | The Secretary shall conduct an annual assessment of the financial impact of the support levels announced for the various program crops. The assessment should include the effect of such support levels on the ability of producers to meet their financial obligations (esp. for FmHA and FCA). Report due to Congress no later than the date of the final announcement for programs for that marketing year. The results of the assessment are for informational and oversight purposes only, and are not to be the basis for any administrative or judicial proceedings. | The 1990 Farm Bill requires an annual assessment of the financial impact of price and income support levels announced for the various program crops. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--------------------------------------|---|--|---|
| 11d.5 Survey of program participants | No such provision. | The Secretary shall survey producers during sign-up for commodity programs in the 1992 calendar year regarding their preference for the redistribution of any crop acreage base on each producer's farm. ASCS would be required to survey producers as to their preference to redistribute bases among existing program crops on the farm, among program crops which the producer currently does not have a base, or any combination of the two. Analysis of results must be reported to Congress by January 31, 1993. | The 1990 Farm Bill requires the Secretary to survey producers at the time of sign-up for the 1992 crop programs regarding their preference for redistributing crop acreage bases on their farm. |
| | TITLE XI -- GENERAL COMMODITY PROVISIONS Subtitle B -- Options Pilot Program | | |
| 11e.1 Purpose of program | Similar program authorized. | The Secretary is required to conduct necessary research to ascertain whether futures options trading would provide reasonable protection to producers from market fluctuations and whether producers would accept and fully utilize this method of price protection. | The 1990 Farm Bill reauthorizes the Options Pilot Program, subject to appropriation of funds. |
| 11e.2 Description of program | Similar program authorized. | The Secretary must conduct a pilot program for each of the 1991-1995 crops of corn, and for each of the 1993-1995 crops of wheat and soybeans. The pilot program in 1991 must be carried out in at least 3 counties in at least 3 major corn producing States. Additional States may be added later. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|-----------------------------|---|---|----------|
| | TITLE XI -- GENERAL COMMODITY PROVISIONS Subtitle F -- Conforming Amendments | | |
| 11f.1 Conforming amendments | Various amendments which redesignate section numbers and make other minor technical corrections. | Various amendments which redesignate section numbers and make other minor technical corrections. | |
| | TITLE XI -- GENERAL COMMODITY PROVISIONS Subtitle G -- Effective Date | | |
| 11g.1 Effective date | The Food Security Act of 1985, and the amendments made by the Act, became effective on the date of enactment (December 23, 1985). | Except as otherwise specifically provided, the Titles I-XI and the associated amendments: (1) shall become effective beginning with the 1991 crop of an agricultural commodity; and, (2) shall not affect the authority of the Secretary to carry out a price support or production adjustment program for any of the 1986-1990 crops of an agricultural commodity. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--|--|---|--|
| | MISCELLANEOUS COMMODITY PROVISIONS IN OTHER TITLES | | |
| 20.1 Entry quality standards for all FOR grain | No such provision. | In announcing the terms and conditions of the farmer-owned reserve program, the Secretary shall review standards concerning the quality of grain that shall be allowed to be stored under the program, and such standards should encourage only quality grain to be pledged as collateral for FOR extended loans. | Title 20 of the 1990 Farm Bill introduces several provisions related to grain quality. |
| 20.2 Price support loan incentives for quality grain | No such provision. | Beginning with the 1991 crops of wheat, feed grains, and soybeans, the Secretary shall establish premiums and discounts related to cleanliness factors in addition to any other premium or discounts related to quality. | |
| 20.3 Quality requirements for CCC-owned grain | No such provision. | The Secretary shall establish minimum quality standards that shall apply to CCC-owned grain. In establishing such standards, the Secretary shall take into consideration factors related to the ability of grain to withstand storage and assurance of acceptable end-use performance. CCC shall use approved FGIS procedures to inspect and evaluate grain it acquires from producers. | |
| 22.1 Sugarcane disaster assistance | The quantity of sugarcane that producers are able to harvest is determined by the quantity of raw sugarcane. | The Secretary shall determine the total quantity of the 1989 crop of sugarcane that producers are able to harvest on the basis of the quantity of recoverable sugar. | The 1990 Farm Bill specifies that the quantity of sugarcane harvested shall be determined on the basis of recoverable sugar instead of tonnage of raw sugarcane. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--|---|--|--|
| 22.2 Valencia oranges | Most Valencia oranges not covered by the Disaster Assistance Act of 1989 because they were harvested in 1990. | Any crop of Valencia oranges affected by damaging weather or freeze in 1988 or 1989 is eligible for disaster assistance. Affected producers have until January 15, 1991, to apply for assistance. | The 1990 Farm Bill extends eligibility for disaster assistance to Valencia oranges, even if harvested in 1990. |
| 22.3 Assistance for Big Horn River drainage system | No such provision. | The Secretary shall make disaster assistance available to producers on farms which suffered losses on their 1990 crop of wheat, barley, oats, grass hay, and alfalfa hay due to drought induced by a lack of water as a result on Indian Tribal water rights adjudication on the Wind River Indian Reservation, Wyoming. The disaster payments shall be made available under terms and conditions similar to those of the Disaster Assistance Act of 1989. Assistance shall be drawn from a pool not to exceed \$250,000. Producers do not have to acquire multiperil crop insurance to qualify. Affected producers may apply within 60 days of enactment for a 12-month deferral in repayment of FmHA farm loans. | The 1990 Farm Bill offers one-time disaster assistance to producers affected by Indian tribal water rights adjudication in the Big Horn River, Wyoming, drainage system. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--|-------------------|--|---|
| 25.1 Outreach and assistance for socially disadvantaged farmers and ranchers | No such provision | <p>The Secretary shall provide outreach and technical assistance to encourage socially disadvantaged farmers to participate in USDA programs. The Secretary shall review participation by socially disadvantaged groups, compared to participation of other groups, in each crop program on a State-by-State and county-by-county basis. The review must identify reasons for participating or not participating in the crop programs. The Secretary shall calculate on a State-by-State and county-by-county basis the following information for each crop: total crop base for each crop, the percentage of total base controlled by socially disadvantaged producers, and the average payment yield of socially disadvantaged producers, compared to non-socially disadvantaged producers. A report is due to Congress no later than September 30, 1992, and every 2 years after.</p> <p>The Secretary shall propose an affirmative action plan to increase the rates of participation of socially disadvantaged groups. A report on the plan is due to Congress no later than 1 year after enactment.</p> <p>There are appropriated \$10 million each fiscal year to carry out this section.</p> | The 1990 Farm Bill requires the Secretary to provide outreach and technical assistance, and an affirmative action plan, to assist socially disadvantaged producers in participating in USDA programs. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---|--------------------|--|--|
| 25.2 Consolidated suboffices on Indian reservations | No such provision. | The Secretary shall require ASCS, SCS, and FMHA offices in each county that has a reservation within its borders, to establish a consolidated suboffice at the tribal headquarters of the reservation, and to staff the suboffice as needed with existing personnel, but no less than 1 day per week. The tribe shall be required to provide the necessary office space if it wishes to participate in this program. | The 1990 Farm Bill requires ASCS, SCS, and FMHA offices in each county with an Indian reservation to set up a consolidated suboffice at tribal headquarters. |
| 25.3 Recordkeeping improvements | No such provision. | To the extent practicable, it shall be the goal of USDA to bring about, within 3 years, a substantial reduction in the volume of documentation, and in the amount of time devoted and the number of visits to USDA offices, that are necessary to complete paperwork required of the typical producer participating in programs administered by the Secretary. Specific proposals are due in a report to Congress within 240 days. Such a report shall consider the feasibility of reducing paperwork and recordkeeping requirements by providing producers with access to a computerized departmental network or system that could be used by producers to transfer information electronically. | The 1990 Farm Bill requires the Secretary to assess ways to reduce paperwork and recordkeeping requirements for producers participating in USDA programs. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|----------------------|--|---|---|
| | MISCELLANEOUS COMMODITY PROVISIONS IN THE OMNIBUS BUDGET RECONCILIATION ACT OF 1990 | | |
| OBR.1 Effective date | Not applicable. | Amendments made by the Act shall become effective 1 day after the date of enactment of the 1990 Farm Bill, or December 1, 1990, whichever is earlier. | The Omnibus Budget Reconciliation Act of 1990 authorized minimum ARPs for wheat and feed grains; reduced payment acres ("triple base") for each program crop; recalculation of deficiency payments for 1994 and 1995 for wheat, feed grains, and rice; a loan origination fee for soybeans; marketing assessments for sugar, honey, peanuts, wool, mohair, and tobacco; and, a reduction in the purchase price for dairy. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--|-----------------|--|--|
| OBR.2 Failure to enter into GATT agreement | Not applicable. | <p>If by June 30, 1992, the United States does not enter into an agricultural trade agreement in the Uruguay Round of multilateral trade negotiations under GATT, agricultural acreage limitation and price support and production adjustment programs and export promotion programs shall be reconsidered and adjusted by the Secretary as appropriate to protect the interests of American agricultural producers and ensure the international competitiveness of U.S. agriculture.</p> <p>If a GATT agreement is not reached by June 30, 1992, the Secretary:</p> <p>(1) is authorized to waive any minimum ARP level required or authorized for any of the 1993-1995 crops of wheat, feed grains, upland cotton, or rice;</p> <p>(2) shall increase export promotion programs by \$1 billion for the period October 1, 1993 through September 30, 1995; and,</p> <p>(3) shall authorize marketing loans for wheat and feed grains.</p> | <p>If a GATT agreement is not reached by June 30, 1992, the Secretary is authorized to waive minimum ARPs and is required to offer marketing loans for wheat and feed grains. Reduced payment acreage, recalculation of deficiency payments, and loan origination fees, marketing assessments, and reductions in purchase prices would remain in affect.</p> |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---|-----------------|---|--|
| OBR.3 Failure of GATT agreement to enter into force | Not applicable. | <p>If by June 30, 1993, an agricultural trade agreement under the Uruguay Round of multilateral trade negotiations under GATT has not entered into force for the United States, agricultural price support and other programs and export promotion levels shall be reconsidered and adjusted by the Secretary, if such action is appropriate to protect the interests of American agricultural producers and ensure the international competitiveness of U.S. agriculture.</p> <p>If a GATT agreement is not reached by June 30, 1993, the Secretary shall consider:</p> <ul style="list-style-type: none"> (1) waiving all or part of the requirements of this Act regarding reductions in agricultural spending; (2) increasing the level of funds made available for export promotion; and, (3) authorizing marketing loans for the 1993-1995 crops of wheat and feed grains. | If a GATT agreement is not reached by June 30, 1993, the Secretary is authorized to waive all budget reduction provisions. |

TITLE XIV -- CONSERVATION

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--|--|--|--|
| TITLE XIV -- CONSERVATION Subtitle A -- Highly Erodible Land Conservation | | | |
| 14.001 Definition of violation | Highly erodible cropland planted to an agricultural commodity without an approved conservation plan. | Same definition, but explicitly requires HEL idled under annual commodity programs to have conservation plan. | |
| 14.002 Program ineligibility | Violators ineligible for commodity program benefits, storage loans, crop insurance, disaster payments, FmHA loans, and storage payments. | Expands list to include disaster assistance for weather damaged trees, Agricultural Conservation Program, Emergency Conservation Program, CRP, Agricultural Water Quality Protection Program, Environmental Easement Program, and Small Watershed Program; but <u>not</u> WRP. | Consistent with swampbuster changes. CRP payments have been withheld from violators administratively. |
| 14.003 Conservation plans on expired CRP lands | No provision. | Producers have 2 years to implement plans if structures are required. If structures are required and Sec. determines there are of technical or economic feasibility problems, time period may be extended beyond 2 years. | |
| 14.004 Tenant ineligibility exemption | No provision. | Tenant not subject to benefit denial on other complying farms if landlord refuses to comply, tenant makes good faith effort to comply, and no scheme or device. Annual report to Congress required on tenant ineligibility determinations. | |
| 14.005 Providing information | No provision. | Sec. must provide information concerning cost-effective erosion control options available to producers revising or obtaining plans, crop flexibility, base adjustment, and available conservation assistance. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|------------------------------------|---|--|--|
| 14.006 Non-commercial exemption | No provision. | Non-commercial production of agricultural commodities on 2 acres or less would not be subject to conservation compliance. | |
| 14.007 Graduated penalties | No provisions. | May violate once in 5 years without full penalty if minor, in good faith, and plan then followed. Benefits may be reduced by \$500 to \$5,000 based on the seriousness of the violation. Exemption not provided for violations that occurred prior to 1990 Farm Bill enactment. | |
| 14.008 Exemption from penalty | No provisions. | No penalty if: <ul style="list-style-type: none"> • violation is technical and minor and has minimal effect; • circumstances occurred that were beyond control of the person; or • exemption granted to handle a specific problem. Such violations do not affect eligibility for graduated penalties. | |
| 14.009 Erosion reduction standards | Producers must obtain approved conservation plans by 1990 and fully implement them by 1995. | No change from 1985 provisions. | Report language indicates intent that standards should not exceed those in effect prior to 1990 Farm Bill enactment. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---|--|--|--|
| TITLE XIV -- CONSERVATION Subtitle B -- Wetland Conservation | | | |
| 14.010 Definition of wetland | Has a predominance of hydric soils, is inundated or saturated by water at a frequency or duration sufficient to support, and that under normal circumstances does support, a prevalence of hydrophytic vegetation. | Restates definition of wetland. | 1990 Bill rearranges the sentence but does not change the definition. |
| 14.011 Program ineligibility | Violators ineligible for commodity program benefits, storage loans, crop insurance, disaster payments, FmHA loans, and storage payments. | Expands list to include disaster assistance for weather damaged trees, Agricultural Conservation Program, Emergency Conservation Program, CRP, Agricultural Water Quality Protection Program, Environmental Easement Program, and Small Watershed Program; but <u>not</u> WRP. Loans made prior to 12/23/85 are exempt. | Consistent with highly erodible land conservation changes. |
| 14.012 Swampbuster trigger | Planting an agricultural commodity on a converted wetland. | <u>Conversion of a wetland</u> after date of 1990 Farm Bill enactment making production of an agricultural commodity possible, or planting an agricultural commodity on a converted wetland. | A converted wetland is defined as a wetland on which drainage activities commenced after 12/23/85. |
| 14.013 Duration of ineligibility | Ineligible only in years in which agricultural commodities were produced. | If conversion is a planting violation only (occurred prior to 1990 Farm Bill enactment, but in violation of 1985 swampbuster), then producer only ineligible in years that agricultural commodities are produced on the converted wetland (same as current law). For conversion occurring after enactment, converter is ineligible until converted wetland is restored. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---|---|--|---|
| 14.014 Minimal effect exemption; mitigation | Exemption may be granted if actions had minimal effect on hydrological and biological aspects of the wetland. No provision for mitigation. | Exemption from penalty may be granted if: 1) Actions have minimal effect on <u>functional</u> hydrological and <u>biological value</u> ; 2) Land has been frequently cropped, action is mitigated through restoration of prior converted wetland, and restored wetland is protected by an easement; or 3) For wetlands converted after 12/22/85 but before 1990 Farm Bill enactment, mitigation will be permitted as specified in (2), except that converted wetland need not to have been frequently cropped. Sec. required to consult with Sec. of Interior on mitigation and restoration. | 1990 Bill add the words "functional" and "value". Exemption will be granted if any one of the three conditions is met. |
| 14.015 Mitigated wetlands | No provision. | Must be restored in accordance with a plan, at no government expense, in the same general area of watershed, and be on a 1-for-1 acreage basis unless more acreage is needed. Producers may appeal any requirements above a 1-for-1 acreage basis. | |
| 14.016 Determination of minimal effect | Local SCS must concur with FWS. | Shall be made by local SCS in concurrence with local FWS. If agreement not reached, State SCS decides in consultation with FWS. All local disagreements reported to respective headquarters. | |
| 14.017 Restoration and mitigation plans | No provision. | Developed by local SCS in concurrence with local FWS. Same procedure as minimal effect determinations if agreement not reached at local level. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--|---|--|----------|
| 14.018 Other exemptions | Provides for exemptions if conversion commenced before 12/23/85, land is an artificial wetland, or if land qualifies as "farmed wetland". | Similar provisions. Includes exemption for converting or planting on an artificial wetland. | |
| 14.019 Delineation of wetlands | No provisions. | Requires delineation, certification, public listing, and periodic review of wetland maps. | |
| 14.020 On-site inspection | No provisions. | Required before withholding benefits. | |
| 14.021 Prior determinations | No provisions. | No person shall be adversely affected because of having taken an action based on a previous determination by the Sec. | |
| 14.022 Good faith exemption; graduated penalties | No provisions. | Benefits may be reduced by \$750 to \$10,000 based on the seriousness of the violation, if action occurred in good faith, swampbuster not violated in past 10 years, and wetland to be fully restored. Exemption may be provided for violations that occurred prior to 1990 Farm Bill enactment if action occurred in good faith. | |
| 14.023 Fairness of compliance | No provision. | Cropland reclassified as wetland due to actions of others would not be subject to swampbuster. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--|---|---|--|
| TITLE XIV -- CONSERVATION Subtitle C -- Agricultural Resources Conservation Program | | | |
| 14.024 Organization | Conservation Reserve Program (CRP) only. | Consists of 3 chapters: 1) Environmental Conservation Acreage Reserve Program (ECARP): - Conservation Reserve Program (CRP), - Wetlands Reserve Program (WRP). 2) Water Quality Incentive Program (WQIP). 3) Environmental Easement Program. | The WQIP is also called the Agricultural Water Quality Protection Program. |
| 14.025 Enrollment goals | 40 to 45 million acres during the 1986 through 1990 crop years. | Sec. shall enroll not less than 40 million nor more than 45 million acres in ECARP through <u>calendar</u> year 1995. A goal of 1 million acres under perpetual or long-term easements in wetland reserve, counting toward the 40-million-acre ECARP minimum. A goal of 10 million acres in water quality incentive program, not counting toward the 40-million-acre ECARP minimum. | No acreage goal for the Environmental Easement Program. |
| Environmental Conservation Acreage Reserve Program (Chapter 1) | | | |
| 14.026 Organization | CRP only. | Consists of CRP and WRP. Acreage enrolled in current CRP is considered enrolled in ECARP. | |
| 14.027 Enrollment goal | 40 to 45 million acres during the 1986 through 1990 crop years. | 40 to 45 million acres enrolled through calendar year 1995. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--|---|---|--|
| 14.028 Weed and pest control on ECARP | No provision. | Sec. shall provide technical assistance to owners for developing and implementing weed and pest control programs. Sec. may provide cost sharing for insect infestations likely to adversely affect surrounding commercial land. | <u>Report language</u> indicates that Sec. should rigorously enforce weed and pest control requirements in ECARP contracts. |
| Conservation Reserve Program (Subchapter B) | | | |
| 14.029 Establishment | Sec. shall carry out program to assist owners and operators of highly erodible cropland (HEL) to conserve and improve soil and water resources. | Similar to 1985 CRP. Discretion is provided to allow targeting for water quality and other environmental concerns in addition to HEL problems. | |
| 14.030 Enrollment goal | 40 to 45 million acres during the 1986 through 1990 crop years. To extent practicable, not less than one-eighth of enrolled acres shall be devoted to trees. | 39 to 44 million acres (including 34 million acres currently enrolled), but reserve 1 million acres for enrollment in each of the 1994 and 1995 calendar years. To extent practicable, not less than one-eighth of newly contracted acreage devoted to trees, or devoted to shrubs or other non-crop vegetation or water that provides permanent wildlife habitat. | 1985 Act had annual CRP enrollment requirements. <u>Report language</u> indicates that lands not able to meet conservation compliance, should be given priority in 1994 and 1995. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|-------------------------------------|--|--|--|
| 14.031 County enrollment limitation | No more than 25 percent of a county's cropland, unless local economy not adversely affected. | No more than 25 percent of a county's cropland, including WRP and Environmental Easement Program cropland acres, unless producers having difficulty complying with conservation plans or other environmental requirements, <u>and</u> local economy not adversely impacted. Sec. shall not require written consent from a member of Congress to waive limitation. Land planted to shelterbelts and windbreaks under easements does not count toward the 25-percent limitation. | Report language states that "limit should be waived on a case-by-case basis so that only those specific producers not able to meet compliance can enter the program." |
| 14.032 Eligible lands | Sec. shall enter into contracts with owners and operators of MEL. Defines MEL as cropland that: <ul style="list-style-type: none"> • is class IV, VI, VII, or VIII; or • if used to produce an agricultural commodity, would have an excessive annual erosion rate in relation to the soil loss tolerance level. Sec. may include non-MEL that poses: <ul style="list-style-type: none"> • off-farm environmental threat, or • threat of productivity degradation due to salinity, if left in production. | Secretary may include: <ul style="list-style-type: none"> • MEL that could <u>substantially</u> reduce productive capacity if untreated. • Marginal pasture converted to wetland or established as wildlife habitat <u>prior to enactment</u> of 1990 Farm Bill. • Marginal pasture to be devoted to trees in or near riparian areas or for similar water quality purposes, limited to 10 percent of new CRP enrollment. • Cropland not otherwise eligible that contributes to the degradation of water quality or where continued cropping could pose an on-site or off-site threat to water quality. | MEL that cannot be farmed in accordance with a conservation plan are eligible. <u>Report language</u> indicates that intent is to make eligible, only lands that have been converted naturally. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|-----------------------------|--|---|--|
| 14.033 Other eligible lands | Under 1985 Act, windbreaks and shelterbelts, were acceptable practices, but the whole field had to be enrolled. Also, filterstrips were allowed without whole field and without regard to erodibility. | Secretary may include: <ul style="list-style-type: none"> Newly-created permanent grass sod waterways and contour grass strips that are part of a conservation plan. Cropland newly devoted to living snow fences, permanent wildlife habitat, windbreaks, shelterbelts, or filterstrips not devoted to trees or shrubs. (Producers must provide useful-life easements for these practices.) Cropland threatened by salinity problems or that pose off-farm environmental threat. Cropland on which Sec. has prevented production of agricultural commodities, if otherwise eligible. | Under both Bills land planted to alfalfa and other multi-year grasses and legumes in rotation may be considered planted to an agricultural commodity. Bill language does not require lands devoted to windbreaks, etc. to be highly erodible. |
| 14.034 Farmed wetlands | Non-HEL farmed wetlands were made eligible for enrollment. | Farmed wetlands not mentioned. | Under 1990 Bill, farmed wetlands are eligible for enrollment in WRP under permanent or long-term easements. |
| 14.035 Lands not eligible | No provision. | HEL where erosion reduction goals could be met with conservation plans. Lands where water quality goals could be effectively achieved through enrollment in the Water Quality Incentive Program. | |
| 14.036 Contract length | 10 to 15 years. | 10 to 15 years. Up to 15-year contracts, at producers option, if lands devoted to hardwood trees, shelterbelts, windbreaks, or wildlife corridors. Sec. may allow existing contracts devoted to hardwood trees to be extended to 15 years. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|------------------------------------|--|---|---|
| 14.037 Conservation priority areas | No provision. | Sec. shall designate State selected watershed areas such as the Chesapeake Bay region as conservation priority areas, and attempt to maximize water quality and habitat benefits by promoting a significant level of enrollment in such areas. | |
| 14.038 Acceptable practices | Approved vegetative cover, including windbreaks, shelterbelts, filterstrips. Haying and grazing allowed for drought or similar emergency. | Water cover for wildlife is made explicitly acceptable if water not used for livestock, irrigation, or fish production. Haying and grazing allowed for drought or similar emergency. In return for applicable reduction in payments, limited grazing that is incidental to gleaning of crops could be allowed. | |
| 14.039 HEL and CRP participation | CRP participants farming HEL are subject to conservation compliance rules. | In addition, new CRP participants producing agricultural commodities on <u>newly purchased</u> HEL that does not have a history of non-forage crop production are subject to loss of program benefits, including refund of rental and cost-share payments. | |
| 14.040 Alley cropping | No provision. | Sec. may allow alley cropping if lands planted to hardwoods, through bid system that reduces annual payments by at least 50 percent, and does not increase overall costs to Government. | Alley cropping is defined as the practice of planting rows of trees bordered on each side by a narrow strip of groundcover, alternated with wider strips of row crops or grain. |
| 14.041 Effect of foreclosure | On transfer of right or interest, Sec. may require refund of all payments if new owner does not assume all obligations. | Same as 85 Act. In addition, Sec. is explicitly allowed to waive pay-back requirements for owners subject to foreclosure. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---------------------------------------|--|--|--|
| 14.042 Cost share | 50 percent of the cost of establishing conservation measures and practices, where appropriate and in the public interest. | 50 percent of the cost of establishing water quality and conservation measures and practices, where appropriate and in the public interest. Total amount of cost-share assistance from all sources may not exceed 100 percent of total establishment costs. May not receive cost-share assistance if cost-share assistance also provided by another Federal program. | <u>Report language</u> indicates that the Sec. is not required to make cost-share payments in amounts that are more than the land is worth, or that are otherwise excessive. |
| 14.043 Tree planting incentives | No provision. 50-percent cost share provided for tree establishment costs. Certain erodibility requirements were reduced for contracts devoted to trees. | Sec. may permit continuous sign-up for hardwood trees. Sec. shall provide 50-percent cost share for new contracts devoted to hardwood trees, windbreaks, shelterbelts, or wildlife corridors and for existing contracts converted to such practices. Cost share to be provided for establishment and maintenance, including reestablishing such tree plantings, during a 2- to 4-year period. Tree planting, on 10-acre or larger contracts, may be accomplished over 3 years. | |
| 14.044 Other tree planting incentives | No provisions. | Sec. is encouraged to use CRP, as well as ACP and other programs, to assist in maintenance, afforestation, and reforestation of forest lands. Sec. shall encourage participants to enlist the cooperative assistance of the State Forester in obtaining technical and financial assistance under Forestry Title provisions. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|-----------------------------------|---|---|----------|
| 14.045 Acceptability of contracts | <p>Sec. may consider erosion reduction and productivity of acreage diverted.</p> <p>Sec. may establish different criteria for different areas based on soil erosion abatement.</p> <p>Under 1985 Act, Sec. allowed to give priority to owners and operators subject to highest degree of economic stress.</p> | <p>Sec. may consider improvements to soil resources, water quality, wildlife habitat, or other environmental benefits.</p> <p>Sec. may establish different criteria for different areas based on water quality concerns, wildlife habitat, or soil erosion.</p> | |
| 14.046 Payments to States | Law enacted subsequent to the 1985 Farm Bill allows payment cap to be waived for States with approved special CRP enhancement programs. | May waive \$50,000 payment cap to States with approved special CRP enhancement program. Payments to participants in special State CRP enhancement programs must be in cash. | |
| 14.047 Payments to heirs | No provision. | Allows CRP payments to be made to heirs even if CRP payment cap has been reached. (See Title XI, General Commodity Provisions.) | |
| 14.048 Exemption from sequester | No provision. | Payments, including payments on existing contracts, are exempt from automatic sequester. | |
| 14.049 Ownership requirement | Land must be owned at least 3 years, unless acquired by will or succession, or before 1/1/85, or Sec. agrees that the land was not acquired for enrollment purposes or land foreclosed on and old owner exercises right of redemption. | Same as current law. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---|--|--|--|
| 14.050 Conversion of land subject to contract; extension of contracts | No provisions regarding conversions or extensions. | <p>Sec. shall allow wetland under existing CRP contracts to be transferred to the WRP.</p> <p>Sec. shall allow producers converting grass cover to hardwood trees, windbreaks, shelterbelts, or wildlife corridors to extend current 10-year contracts to 15 years. Producers must provide useful-life easements for windbreaks, shelterbelts, and wildlife corridors.</p> <p>Sec. shall provide cost-share assistance where appropriate. The sum of the new and original cost-share assistance may not exceed the amount that the participant would have received if the new practice had been the original practice.</p> | Owners and operators converting contracts to trees must participate in Forest Stewardship Program. (Cooperative Forestry Assistance Act of 1978, Sec. 5, as amended) |
| 14.051 Post-CRP issues | No provisions regarding post-CRP issues. | <p>Producers given 2 years to implement conservation plans when structures required; unless, for land needing structures, the Sec. determines that more time is needed because of technical or economic feasibility problems.</p> <p>Sec. may extend base protection if conservation cover maintained; allow limited haying and grazing; and prohibit any additional cost share, annual rental, or bonus payments.</p> <p>Requires Sec. to study expiring contracts, make recommendations concerning treatment of lands subject to expiring contracts, and report to Congress by 12/31/93. Sec. may extend contracts up to 10 additional years and purchase easements if study indicates desirability.</p> | <p>Both Bills contain provision for reducing and preserving base during contract period.</p> <p>Easements provided for under the Environmental Easement Program (Chapter 3).</p> |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--|---------------------|--|---|
| Wetlands Reserve Program (Subchapter C) | | | |
| 14.052 Establishment | No similar program. | Sec. shall establish a wetland reserve program to assist owners of eligible lands in restoring and protecting wetlands. | Farmed wetland were enrolled under 10-year contracts in the 1985 CRP. |
| 14.053 Enrollment goal | | To the extent practicable, attempt to enroll 1 million acres through December 31, 1995 as follows: no more than 200,000 acres in 1991, 400,000 acres through 1992, 600,000 acres through 1993, and 800,000 acres through 1994. | |
| 14.054 County enrollment limitation | | <p>Cropland acres count toward overall 25-percent county limitation for CRP, WRP, and the Environmental Easement Program.</p> <p>No more than 10 percent of a county's cropland may be placed under easements.</p> <p>Exception provisions same as for CRP.</p> | |
| 14.055 Eligible land | | <p>Includes:</p> <ul style="list-style-type: none"> Farmed or converted wetlands, excluding wetlands where conversion was commenced after 12/23/85, and functionally dependant adjacent lands. The wetland value and likelihood of successful restoration must merit inclusion, taking costs into consideration. Farmed wetland, adjoining land, and prior converted wetland in CRP with highest wetland functions and values, that are likely to return to production after they leave the program. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|-------------------------------|----------------|--|----------|
| 14.055 Eligible land con't | | <p>Includes:</p> <ul style="list-style-type: none"> • Other wetland on the farm, not otherwise eligible, if functional value of easement increased. • Riparian corridors that link protected wetlands. • CRP timber stands and pastureland established to trees under CRP are <u>not</u> eligible. <p>Sec. consults with Sec. of Interior at the local level on eligibility determinations.</p> | |
| 14.056 Easement agreement | | <p>30-year or perpetual easement, or maximum term allowed under State law.</p> <p>Landowner agrees to implement wetland restoration and protection plan, and to provide access to wetland for management and inspection activities.</p> <p>Base permanently retired.</p> <p>If easement agreement violated, Sec. may require easement to remain in force and full refund of all payments with interest.</p> | |
| 14.057 Plans | | <p>Plans developed by local SCS in concurrence with local FWS. If agreement cannot be reached within a reasonable period of time, State SCS decides in consultation with FWS.</p> | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--------------------------------|----------------|--|----------|
| 14.058 Prohibited practices | | Mowing or spraying except as specified in plan, or when complying with Federal or State noxious weed laws or with emergency pest treatment programs. Activities on adjacent lands of participants that diminish functional value of wetland under easement. | |
| 14.059 Permitted practices | | Compatible economic uses including hunting, fishing, managed timber harvest, and periodic haying or grazing, if specifically permitted by plan. | |
| 14.060 Cost of easement | | No more than the fair market value of the land minus the fair market value of the land encumbered by easement. | |
| 14.061 Payment terms | | Payments made over 5- to 20-year period. Lump-sum payments permitted for perpetual easements. | |
| 14.062 Cost sharing | | 50 to 75 percent if not perpetual, otherwise 75 to 100 percent, of the cost of establishing conservation measures and practices and the protection of wetland functions and values, where appropriate and in the public interest. | |
| 14.063 Payment limitation | | Not to exceed \$50,000 per year for non-perpetual easements; no limit for perpetual easements. Sec. may waive limit for States, political subdivisions, or agencies that have approved special wetland and environmental easement enhancement programs. | |
| 14.064 Acceptability of offers | | Sec. may consider extent wetland values enhanced and environmental threat reduced, productivity of the land to be enrolled, likelihood of successful restoration, and costs. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--|---|---|--|
| 14.065 Priority | | Priority to offers that provide permanent wetland protection, and that protect and enhance habitat for migratory birds and other wildlife. | |
| 14.066 Exemption from sequester | | Payments exempt from automatic sequester. | |
| 14.067 Payments to heirs | | Payments may continue to be made to heirs, even if \$50,000 limit has been reached. (See Title XI, General Commodity Provisions.) | |
| 14.068 Ownership requirement | | Land must be owned at least 1 year, unless acquired by will or succession, or before 1/1/90, or Sec. agrees that the land was not acquired for enrollment purposes. | |
| 14.069 Delegation of responsibilities | | Sec. may delegate management of easements to other Federal or State agencies. | |
| 14.070 Regulations | | Issued within 180 days of enactment. | |
| Water Quality Incentive Program (Chapter 2) | | | |
| 14.071 Establishment; enrollment goal | No similar program. President's Water Quality Initiative has similar goals. | Sec. shall implement voluntary program, to enroll 10 million acres through December 31, 1995. Sec. shall begin accepting contracts within 1 year of enactment. | The President's Water Quality Initiative calls for voluntary cooperation in improving water quality. Technical assistance is provided by SCS, and financial assistance by ASCS through the ACP. As part of the Initiative, USDA has also begun demonstration projects, hydrologic unit projects, and special projects designed to accelerate implementation of water quality practices. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--|----------------|---|---|
| 14.072 Agreements | | <p>3- to 5-year agreements with owners and operators of eligible lands.</p> <p>Farmers agree to implement water quality plans developed by SCS.</p> <p>Acceptance of agreement shall not imply satisfaction of any State or Federal law.</p> | |
| 14.073 Wetland and wildlife habitat option | | <p>Sec. shall encourage farmers who obtain water quality plans to adopt agricultural production practices that protect and enhance wetlands or wildlife habitat.</p> <p>50-percent cost share of up to \$1,500 over the contract period provided for approved practices.</p> | <u>Report language</u> indicates the intent that cost share is not to be provided for restoration activities. |
| 14.074 Incentive payments | | <p>On a per-acre basis over 3 to 5 years, or in lump-sum if necessary for implementing a practice.</p> <p>Based on amount necessary to encourage participation, additional costs incurred by producer, and production values foregone.</p> <p>Limited to \$3,500 per person per year.</p> | |
| 14.075 Base and yield protection | | Participants receive base acreage and payment yield protection for duration of contract. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---------------------------------------|----------------|---|--|
| 14.076 Water quality practices; plans | | <p>Water quality protection practices that will assist producers in complying with State and Federal environmental laws, and that complement HEL conservation plans.</p> <p>Primarily agricultural production practices that promote efficient use of crop nutrients and pesticides, and water quality production practices that ensure safe storage, and handling of agricultural chemicals and animal waste.</p> <p>Sec. shall provide notice that plans are available to the public upon request.</p> | |
| 14.077 Eligible land | | <p>Includes:</p> <ul style="list-style-type: none"> • Critical cropland areas identified in Clean Water Act 319 plans. • Wellhead protection areas identified under Safe Drinking Water Act. • Karst areas with sinkholes. • Areas where agricultural non-point sources may adversely impact threatened or endangered species habitat. • Other areas, in consultation with Sec., as recommended by States, EPA, Interior. • Other areas as determined by the Sec. | President's Water Quality Initiative is targeted to areas where water quality is impaired by agricultural practices. |
| 14.078 Priority lands | | <p>Areas where agricultural production practices contribute to the potential for failure to meet water quality standards or goals.</p> <p>Sec. is to consult with States concerning priority areas.</p> | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---|----------------|--|----------|
| 14.079 Technical assistance; cost share | | <p>Sec. shall prepare technical guidance materials that may be used to assist producers in complying with State or Federal environmental laws or goals.</p> <p>Upon request, Sec. shall provide technical assistance to agricultural producers in eligible areas, primarily through technical guidance materials developed by SCS.</p> <p>Claims or actions against officials based on technical assistance used for complying with environmental laws are not permitted.</p> <p>Sec. shall encourage participants to obtain cost-share assistance under other Federal, State, or local programs. However, incentive payments may not be made for practices receiving cost-share assistance under another Federal program.</p> | |
| 14.080 Demonstration and pilot programs | | <p>Sec. may enter into contracts with farmers who participate in demonstration or model farm programs sponsored by governmental or non-profit entities.</p> <p>Sec. may establish pilot programs in priority areas.</p> | |
| 14.081 Report | | Sec. shall provide interim report to Congress by 9/30/92 and final report by 9/30/94. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---|---------------------|--|---|
| Environmental Easement Program (Chapter 3) | | | |
| 14.082 Establishment | No similar program. | Sec. may enter into easement agreements with owners of eligible lands to ensure long-term protection of environmentally sensitive lands. | May be used to protect lands already enrolled in the CRP. |
| 14.083 County enrollment limitation | | Cropland acreage counts toward 25-percent overall cropland limitation for CRP, WRP, and the Environmental Easement Program and the 10-percent county limitation for WRP and the Environmental Easement Program. Exception provisions same as for CRP. | |
| 14.084 Enrollment goal | | None specified. | |
| 14.085 Eligible lands | | Lands enrolled in the CRP or Water Bank that are likely to return to production when contracts expire, other cropland that contains riparian corridors, critical habitat, or other environmentally sensitive areas where continued cropping prevents compliance with environmental goals. CRP timber stands and pasture planted to trees are <u>not</u> eligible. Existing CRP and Water Bank contracts may be terminated or modified upon enrollment. | CRP lands that would not pose off-farm environmental threats if returned to crop production are not eligible. |
| 14.086 Easement agreement | | Permanent, or for maximum time allowed under State law. Base permanently retired. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--|----------------|---|---|
| 14.087 Plans; acceptable practices | | <p>Natural resource conservation plan approved by Sec. in consultation with Sec. of Interior.</p> <p>Activities consistent with customary forestry practices shall not be prohibited.</p> <p>Commercial production of Christmas trees and nuts not allowed; agricultural commodity production for wildlife only; haying and grazing only if included in plan.</p> | |
| 14.088 Cost of easement | | <p>No greater than the value of the land without an easement.</p> <p>May not be greater than \$250,000, nor greater than \$50,000 per year.</p> <p>Sec. may waive limit for States, subdivisions, or agencies that have approved environmental easement enhancement programs.</p> | Many of the provisions of the Environmental Easement Program, including payment limits and amounts are different from those of the WRP. |
| 14.089 Payment terms | | Up to 10 annual payments. | |
| 14.090 Cost sharing | | Sec. may pay up to 100 percent of cost of conservation practices. | |
| 14.091 Acceptability of offers | | Sec. may consider extent goals achieved, productivity of the land, and environmental threat if production continued. | |
| 14.092 Exemption from sequester | | Payments exempt from automatic sequester. | |
| 14.093 Payments to heirs | | Payments may continue to be made to heirs, even if \$50,000 limit has been reached. (See Title XI, General Commodity Provisions.) | |
| 14.094 Ownership requirement | | Land must be owned at least 1 year, unless acquired by will or succession, before 1/1/90, or Sec. agrees that land was not acquired for enrollment. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---|------------------------|---|--|
| Miscellaneous Provisions | | | |
| 14.095 Monitoring and evaluation of conservation provisions | No similar provisions. | Sec. shall assess progress, perform on-site inspections, collect data, assess contributions to objectives, and report results to Congress by 6/30/93 pertaining to all programs and policies of the Title. | |
| 14.096 Appeals | No similar provision. | Sec. shall maintain data concerning number and status of appeals pending in excess of 120 days or resolved under the Title. | |
| 14.097 State Technical Committees | No similar provisions. | <p>Sec. shall establish committees, composed of Federal and State officials, to assist in technical considerations relating to implementation of conservation provisions.</p> <p>Committees shall meet regularly to provide information, analysis, and recommendations.</p> <p>Responsible for preparation of technical guides for wetland and wildlife habitat option of the WQIP.</p> <p>ASCS to participate.</p> | <p>Duties shall also include making recommendations on:</p> <ol style="list-style-type: none"> 1) Wetland restoration and mitigation. 2) CRP bid evaluation criteria. 3) Mowing and grazing guidelines. 4) Swampbuster and conservation compliance exemptions and appeals. |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--|---------------------|---|----------|
| TITLE XIV -- CONSERVATION Subtitle D -- Other Conservation Measures | | | |
| Integrated Farm Management Program | | | |
| 14.098 Establishment | No similar program. | Sec. shall establish a voluntary program to assist producers in adopting resource-conserving crop rotations by protecting participants' base acreage, payment yields, and applicable program payments. | |
| 14.099 Eligibility; Requirements | | <p>No environmental criteria for eligibility.</p> <p>Producer follows an approved integrated farm management plan, and enters into a 3- to 5-year contract, renewable upon mutual agreement.</p> <p>Producer must devote an average of 20 percent of crop acreage base over the contract period to a resource-conserving crop.</p> <p>Producer must comply with ARP's in effect for crop acreage base contracted.</p> | |
| 14.100 Acreage | | Sec. shall, to extent practicable, enroll 3 to 5 million acres of cropland through December 31, 1995. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---|----------------|---|---|
| 14.101 Plans | | <p>Specify acreage, crop rotation, farm operations and practices, productivity and profitability enhancement, soil fertility improvement; and water supply protection.</p> <p>Technical assistance provided by Sec., in consultation with local conservation districts, State conservation committees, or other local authorities.</p> | |
| 14.102 Resource-conserving crop | | <p>Legumes, legume-grass mixtures, legume-small grain mixtures, legume-grass-small grain mixtures, and alternative crops.</p> <p>Small grains are defined as not including malting barley or wheat, except for wheat interplanted with other small grains and not for harvested for human consumption.</p> <p>Legumes are defined as not including bean crops from which seeds are harvested.</p> | <p>Report language states that the peas and lentils are be considered "bean crops".</p> |
| 14.103 Program rules; base, yield, and payment protection | | <p>Barley, oats, or wheat, as part of a resource-conserving crop, may not be harvested in kernel form.</p> <p>Except for acreage receiving cost share for perennial cover, acreage devoted to resource-conserving crops in resource-conserving rotations may be designated as ACR and up to 50 percent of such acreage may be hayed or grazed without restriction.</p> <p>Base, payment yields, and program payments shall not be reduced as a result of planting a resource-conserving crop as part of a resource-conserving crop rotation on payment acres.</p> | <p>Such haying and grazing may be restricted if the Sec. determines that hay markets would be adversely impacted.</p> |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---|----------------|---|----------|
| 14.104 Impacts on local economy | | Sec. may restrict the total amount of crop acreage removed from production in an area, to limit adverse impacts on the local economy. | |
| 14.105 Tenant displacement | | Plans that result in the involuntary displacement of tenants or lessees shall not be approved. | |
| 14.106 Haying and grazing restriction | | Producers forfeit program payments on land hayed or grazed during the 5-month restricted period, or if planted to a small grain crop and grazing occurs before grain is harvested in kernel form. | |
| 14.107 Base acre adjustments | | Adjustments may be made to reflect resource-conserving crop rotations in effect prior to participation in the program. Adjustments may only be made to the extent that overall farm program payments would be reduced because of implementation of plans. | |
| 14.108 Under-planted acreage | | Program payments shall not be made on traditionally under-planted acreage (e.g., 8 percent of base for 0-92 participants.) | |
| Miscellaneous Provisions | | | |
| 14.109 Resource Conservation and Development Act amendments | | Extends program through 1995; Increases areas from 225 to 450. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---|------------------------|---|----------|
| 14.110 Noxious Weed Act amendments | | Requires Federal agencies to implement weed management plans under cooperative agreements with States. Cost share may be provided if a majority of landowners in the area participate in a noxious weed management program. | |
| 14.110 Farmland Protection Policy Act amendments | | Adds the words "to identify the quantity of farmland actually converted by Federal programs". | |
| 14.111 Great Plains Conservation Program Amendments | | Extended to 2001; total authorization increased to \$1 billion; more intensive management practices to be substituted for structural measures, where possible. | |
| 14.112 Composting research and extension | No similar provisions. | Appropriate methods of composting agricultural wastes and potential uses for such compost to be identified. Sec. shall <u>consider</u> designating composting as a farm conservation practice for cost-sharing. Sec. shall report to Congress within 6 months of 1990 Farm Bill enactment. | |
| TITLE XIV -- CONSERVATION Subtitle E -- Watershed Protection and Flood Prevention Act; Farmland Protection | | | |
| 14.113 Watershed Protection and Flood Prevention Act amendments | | Adds water quality enhancement as an expressed purpose in plans. Requires that program sponsors be provide up to 50 percent of the acquisition costs of wetland easements. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---|------------------------|--|----------|
| 14.114 Farms for the Future Act | No similar provisions. | Through FFWA, Sec. shall provide guarantees and interest rate subsidies for loans made by lending institutions to State trust funds for farmland preservation purposes. Vermont is the only eligible State, unless other States having agricultural land preservation programs qualify, and funds are appropriated. | |
| TITLE XIV -- CONSERVATION Subtitle F -- Administration of Environmental Programs | | | |
| 14.115 Agricultural Environmental Quality Council (AEQC) | No similar provisions. | <p>Sec. shall establish Council, under direct authority of Sec., that is responsible for carrying out conservation provisions, and for coordination and direction of environmental policies.</p> <p>Council consists of Sec., Dep. Sec., Ass't Sec. for Natural Resources, Ass't. Sec. for Science and Education, the Director of the Office of Agricultural Environmental Quality, and others as designated by Sec.</p> <p>Council chaired by Sec. or designee. Director serves as Executive Director and may not serve as chair.</p> | |
| 14.116 Office of Environmental Quality | No similar provisions. | <p>Administered by AEQC; makes recommendations to AEQC.</p> <p>Director, appointed by Sec., assists, coordinates, and monitors USDA activities.</p> <p>Provides for liaison personnel from EPA and Interior.</p> | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|--|------------------------|--|----------|
| 14.117 Environmental quality policy statement | No similar provisions. | Council shall develop statement. Director, subject to Council's approval, prepares plan to implement statement. Council prepares annual environmental quality report to Congress. | |
| TITLE XIV -- CONSERVATION Subtitle G -- Water Quality Research, Education, and Coordination | | | |
| 14.118 Soil and water activities | No similar provisions. | <p>Explicit statement that SCS and ES shall aid in protecting and improving water quality.</p> <p>Impacts of NEI conservation plans on agriculture and water quality planning shall be determined.</p> <p>Sec. shall determine whether NRI can be used to assess water quality.</p> <p>Sec. shall prepare annual report on SCS activities, accomplishments, and plans related to water contamination problems.</p> | |
| 14.119 Water quality research, education and coordination | No similar provisions. | Requires Sec. to develop, implement, and sustain a coordinated, integrated, and comprehensive intra-agency program to protect waters from agricultural contamination. | |
| 14.120 State water quality coordination program | No similar provisions. | Requires the establishment of a water quality coordination program within each State, to serve as the focal point for coordinating the USDA's water programs with State agencies. | |

COMPARISON OF PROVISIONS FOR THE 1985 AND 1990 FARM BILLS

| | 1985 Farm Bill | 1990 Farm Bill | Comments |
|---|------------------------|--|----------|
| 14.121 Water quality and nutrient management research | No similar provisions. | Requires USDA to undertake efforts to reduce sources of contamination, develop information and technologies, and monitor and evaluate contamination. | |
| 14.122 Repository of agriculture and ground water quality information | No similar provisions. | Sec. shall establish repository for all reports prepared and submitted, and shall report to Congress, within 270 days, on measures necessary to develop national data base on information relevant to water quality. | |
| TITLE XIV -- CONSERVATION Subtitle H -- Pesticides | | | |
| 14.123 Pesticide recordkeeping | No similar provisions. | Certified applicators of restricted use pesticides required to maintain records. Violators subject to fines. Requires survey of records and development of database. Sec. consults with EPA. | |
| 14.124 Agrichemicals and water policy | No similar provisions. | USDA is named principal Federal agency responsible for providing education and technical assistance, and for conducting research programs for users and dealers of agrichemicals. ASCS is to participate. | |

